

STRATEGIC CORPORATE MANAGEMENT MECHANISMS: RESOURCE-MARKET CONCEPT

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ABSTRACT

The automotive industry in the Primorsky Territory has a special significance, as it is one of the most promising directions for development of the Far Eastern region. The proximity of the Asian automotive market leaves an imprint on the huge supply of new and second-hand imported cars from Japan and South Korea. The only car manufacturing enterprise in the city Vladivostok and Primorsky Territory is LLC "Mazda Sollers Manufacturing Rus" development of which plays a key role for the industry as a whole. The functioning of any socio-economic system is impossible without the implementation of a set of measures aimed at improving its activities. Using the resource and market approach in elaboration of the company's development strategy creates favorable opportunities for making a managerial decision to improve its performance. Therefore, the purpose of this work is resulted from the need to show the practical application of the resource and market approach in making a management decision to improve the efficiency of an enterprise, for example, from the automotive industry. The methodology and tools of the study are based on the content analysis of the state of the automobile industry in the world, Russia and Primorsky Territory. The main methods of research can include: economic-statistical, comparative analysis, graphic description, financial and economic analysis (when assessing economic indicators of enterprises), quantitative methods, in particular, the economic forecast. The study made it possible to identify the main stakeholders for an automobile company that have not only their own interests and preferences in relation to the enterprise, but also present certain resources to it in order to satisfy their interests. The resource flows indicated in the work permit to elaborate a number of possible measures the introduction of which, as forecast calculations show, will allow the company's management to take a stable competitive position in the Far Eastern automotive market.

Keywords: key competencies, enterprise resources, automotive industry, resource and market approach, stakeholders.

INTRODUCTION

The limited resources of industrial enterprises, the hard-to-predict changes in their external environment and the rapid growth of business globalization make the task of strategic positioning virtually insolvable. This fact forces management to look at the concept of internal development of their company, trying to identify internal parameters the development of which helps to contain and develop their own competitive advantages in the industry market. That is why the most effective paradigm of the organization's development strategy in the current economic conditions is the concept of key competences, proposed by the scientists G. Hamel and K. Prahalad [1].

At the same time, it is impossible to ignore the values of environmental factors that affect formation of a company's strategy and development of the necessary organizational resources and key competencies. Adhering to the point of view of A.M. Popovich, E.V. Antonova, S.A. Luft, D.P. Maevsky [2, 3], it is

necessary to use the integration of the market and resource approach in the management strategy of an enterprise, what will enable the organization to attract the necessary resources and develop key competencies, taking into account changes in market needs to form a competitive advantage of the enterprise.

Strategic management based on the resource and market approach assumes the adoption of certain managerial decisions on the formation and development of organizational competencies [4, 5]. However, at present the research of scientists in the field of integration of market and resource approaches is largely at the conceptual stage of its development [6, 7, 8], and the developed methodological recommendations and methods are of a general nature, what makes their practical application difficult. Thus, the relevance of this research topic is dictated by the contradiction between the high socio-economic importance of using the resource and market approach in the enterprise development strategy and the lack of practical experience of its use by economic entities.

The purpose of this work is to show the possibilities of practical application of the resource and market approach in making a managerial decision to increase the operating efficiency of an enterprise on the example of the automotive industry.

ANALYSIS OF TRENDS IN THE DEVELOPMENT OF THE AUTOMOTIVE INDUSTRY IN THE GLOBAL AND RUSSIAN MARKETS.

Improving the quality and standard of living of the population inherent to the current stage of development of the country's economy, are characterized by the significantly increased role of the automobile industry which today is one of the leading branches of the machine-building industry. Its condition has a significant impact on the economy as a whole, and on the pace and direction of scientific and technological progress in various branches of the economy associated with the machine-building industry.

In the automotive industry, a completely new approach is being observed in the technical development of a vehicle, the organization and technology of its production. Scientific and technical trends consist in reducing fuel consumption and reducing harmful emissions, developing an ultra light vehicle, improvement of safety, quality, reliability and durability, as well as in development of intelligent vehicle highway systems.

In recent years, in the automotive industry of developed countries there has been a trend towards a shift from a large-scale to a small-scale production of models of a wide range of vehicles [9]. In addition, the issues of ecology which require new approaches forming ecological marketing become more important. The ecological marketing requirements are aimed at overcoming the problems that are associated with environmental protection, rapid growth, as well as the aging of population and, undoubtedly, the most important challenge of our time: lack of resources. The creation of the "Euro" standards was also the reason for the stricter requirements to technical, environmental and other characteristics of vehicles. Increasing concern about air pollution caused by road transport has led to the adoption of special measures to reduce noise, gas and other types of pollution (a typical example is the consistent introduction of environmental standards "Euro-1" - "Euro-5", and also "Euro-6" in the near future).

Restrictions for the development of road transport are tantamount to inhibition of economic and structural transformations in the country's economy.

As shown by the content analysis, key factors affecting the development of the automotive market in Russia are: personal income, prices of cars, operating costs, credit availability, consumer sentiment, demand stimulation, model range, brand strategy, development of dealer networks, development of the used car market, car fleet updating, and demography.

In order to transfer the automotive industry to an innovative development path, it is necessary to create a number of legal and economic conditions that support the activities of enterprises.

The automotive industry of Primorsky Territory is the most important component of the region's economy. According to statistics, there are 572 cars for a thousand people in the region [10]. This is the highest rate in Russia. However, the peculiarity of the automobile market of the region is the absence there of cars of domestic production, but presence of a huge volume of imported supplies of new and used cars from Japan and South Korea. Some of the cars pass through the edge in transit, some remain in the region. In addition, Vladivostok has a very large used car market. However, with a significant increase in car imports through the ports of the Primorsky Territory, serious investment in the logistics infrastructure will be required, because the current infrastructure is not ready for a significant increase in the inflow of imported cars.

The inhabitants of Primorsky Territory are adherents of foreign cars, what affects the low demand to domestic cars and cars of local assembly of the domestic market in the sector.

The only car manufacturing enterprise in the city Vladivostok and in Primorsky Territory as a whole is LLC "Mazda Sollers Manufacturing Rus". Its development plays a key role for the domestic automotive industry as a whole. The Ministry of Economic Development of the Russian Federation has launched the creation of a special economic zone of an industrial production type, which was created on the basis of the automobile plant PJSC "Sollers" by the decision of the Government of the Russian Federation dated August 18, 2014 "On the establishment of the special economic zone of industrial-production type in the territory of the city of Vladivostok" [11, 12, 13]. The creation of such a zone on the territory of the city will give a new impetus to the automotive industry in the region. The special economic zone regime will attract more than 12 billion rubles of private investments, create more than 2 thousand new high-performance jobs. The anchor investors of the special economic zone are: the Russian-Japanese Limited liability company "Mazda Sollers Manufacturing Rus" and the transport company LLC "Pacific Logistics". The key projects are the following: an increase in the Mazda and SsangYong plant's capacities to 100,000 cars per year and a specialized terminal to 250,000 containers per year, and the placement of auto components production in the special economic zone. [14]

ADVANTAGES OF APPLICATION OF STAKEHOLDERS' APPROACHES TO THE DEVELOPMENT OF SECTORS OF THE REGIONAL ECONOMY.

Development of any socio-economic system is impossible without the implementation of a set of measures aimed at improving its activities. After all, if the system develops inertially, after a certain period of time it will most likely enter a state of stagnation, and then the lack of flexibility and the inability to resist external factors, in particular, competitive, will lead to the "death" of this system. The enterprise LLC "Mazda Sollers Manufacturing Rus" needs now some form of modernization [15].

As shown by the conducted research, the existing competitive advantages of this organization soon turned into temporary status. Moreover, the inability to respond in time to the current economic situation in the country speaks about the need to urgently change the existing internal strategy of the enterprise and the soon changing of its development vector which was expressed in the implementation of certain activities that can affect the interests of all stakeholders.

Integration of the market and resource approaches in the management strategy of an enterprise allows the company to attract the necessary resources and develop key competencies taking into account changes in market needs to form a competitive advantage of the enterprise. The stakeholder theory has the potential to study the formation of the resource base and its transformation into the key competencies of the enterprise; therefore it is proposed to consider all measures to improve the efficiency of the enterprise on the basis of the resource and market approach and with respect to stakeholder groups. The

stakeholder model is based on the huge role of co-operation of participating groups which in both active and passive forms perform operations for the purpose of making a profit [16]. In fact, it is a collective of participants who are interested in the effective business of one very large enterprise, but each performs its function in the cooperative system. In the economy of the Russian Federation, medium and large businesses have traditionally been of great importance. At the same time, the effectiveness of doing business by leading global corporations, including Russian ones, shows that the development trend of corporate management systems for industrial enterprises is largely determined by the effectiveness of participating stakeholders [17].

In the conditions of increasing disparities between the results of the enterprise's activity and the inquiries of groups of external and internal environments to them, one of the key managerial competencies of the top management of an enterprise is the ability to build relationships with these groups [19].

The stakeholder theory has considerable potential for researching the processes of forming the resource base and transforming it into key competencies of an enterprise. The resources exchanged between a firm and its stakeholders can be used by them in different ways (among other things, because their goals are different) [18]. According to the provisions of economic theory, the differences in use cases determine the difference in alternative estimates of the cost of resources. That is why, a firm and each of its stakeholders, having exchange resources between them, have their own system of assessing value of their resources. The emerging asymmetry in the assessments leads to a positive effect when each exchange participant becomes richer in accordance with its own value system (what encourages it to enter into a resource exchange).

So, the relationship between a company and its stakeholders is ultimately built around the resource exchange, as both the organization and each of its stakeholders seek to create its own resource base that best fits their goals. Stakeholders supply the company with the necessary resources for its activities, because its activities make it possible to satisfy their needs and requirements. At the same time, meeting the stakeholder's requirements is nothing more than getting them resources from the company.

Thus, the areas (directions) of studies of the stakeholder theory of firm should be [18]:

- Identification of stakeholders and determination of their importance for the company;
- Identification of inquiries of stakeholders to the company and determination of their importance for the company, identification of the company's requests to stakeholders;
- An analysis of the behavioral strategies of stakeholders and possible organizational strategies with respect to stakeholders.

The main consumers of the stakeholder theory can be divided into two groups [19]:

- Companies that maximize financial performance as the main objective while respecting a number of constraints, including the need to take into account the interests of stakeholders;
- Stakeholder companies, a condition of existence for which is the ability to establish and maintain relationships with a wide range of other stakeholders.

Taking into account the above, it should be noted that for Mazda Sollers Manufacturing Rus there can be allocated at least four stakeholders which are equally important for the enterprise in the sense that relations with each group are critical from the point of view of existence in the long term:

- "Customers" - a group that includes all individuals and entities acquiring the final products of LLC "Mazda Sollers Manufacturing Rus" (for example, now Mazda CX-5 and Mazda 6);
- "Business partners " - a group that includes all individuals and entities from the external environment of LLC "Mazda Sollers Manufacturing Rus" which ensure its uninterrupted operation (for example, suppliers of equipment, components, raw materials, etc.);
- "State" - a group that includes federal authorities of the Russian Federation, authorities of the subjects of the Russian Federation, and local authorities;
- "Personnel" means a group that includes all individuals who have concluded an employment contract with LLC "Mazda Sollers Manufacturing Rus" and ensure its uninterrupted operation.

It is worth noting that each group of stakeholders not only has its own interests and preferences in relation to the enterprise, but also provides it with certain resources in order to satisfy its interests to the fullest extent. The result of the analysis of the relationships between the enterprise and its stakeholders are the resource flows highlighted and shown in Table 1.

Table 1 - Resource exchange between stakeholders and LLC "Mazda Sollers Manufacturing Rus"

Name of the stakeholder	Resources "Stakeholder → Enterprise"	Resources "Enterprise → Stakeholder"
Clients	- payment for the purchase of products	- products of the enterprise - a certain level of service
Business partners	- accessories, parts and other components of products - research work - training and development programs	- payment for group services - permanent wholesale buyer - brand promotion
The state	- tax, customs and other types of benefits - subsidies and other types of financial support to the enterprise	- taxes - employment of the population (reduction of unemployment) - participation in meeting the needs of the population
Staff	- functional duties within the framework of the employment contract - quality of performance of functional duties	- wage - comfortable working conditions - career development

Taking into account the data in Table 1 and the results of the performance analysis for LLC "Mazda Sollers Manufacturing Rus", a number of measures are proposed for these groups of stakeholders that will help to increase the resource flows and, consequently, improve the performance indicators of the enterprise:

- Launching the production of new customized models of vehicles;
- Creation of platforms for service and maintenance of vehicles;
- Creation of production of motor vehicles of brand "Mazda" with full assembly cycle;
- Development of a system for staff development.

One of the fundamental issues arising from the implementation of a set of measures is the issue of effectiveness. Moreover, most modern researchers say that this question can be answered only qualitatively, and the quantitative forecast (especially for the long term) is more likely one of the possible scenarios for the development of the event. However, modern methods of enterprise management are based in practice on the construction of plans that are of a quantitative nature, and deviations from the plans resulting from the functioning of an enterprise are a help in further adjusting the development strategy or changing its vector. Thus, the quantitative assessment of the performance indicators for implementation of measures is rather not true in the final instance, but is a food for further thought. Therefore, the forecast data must be treated, in the first place, from a scientific point of view.

Before evaluating the effectiveness of implementing the proposed activities, we give some initial information.

First, the average cost of the Mazda CX5 in 2016 has the amount equal to 1,700 thousand rubles, and Mazda 6 - 1,500 thousand rubles in the basic complete sets. At the same time, the average value added to a unit of production in relative units varies from 5 to 20%, depending on the point of time under consideration. We assume for further calculations an added value of 20%, therefore, the cost of a unit of Mazda CX5 production in 2016 will be equal to 1 360 thousand rubles, and Mazda 6 - 1,200 thousand rubles. (Picture 1)

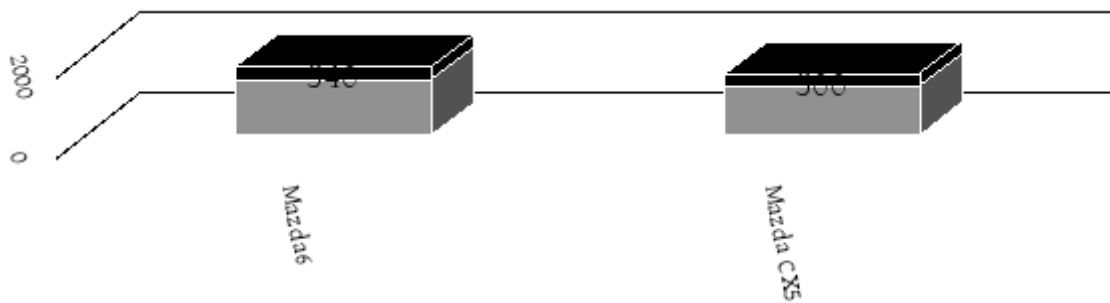


Figure 1 - Cost of products of LLC "Mazda Sollers Manufacturing Rus"

Secondly, in order to fully take into account the effect from implementation of the measures proposed above, it is necessary to consider the differences in the cost of financial resources in different time periods by introducing a discount rate of an equal average inflation rate, i.e. 10% per year at an average, which in turn will lead to an increase in the cost of production and, therefore, upon maintaining a given added value, to increase the value of a unit of production.

Thus, taking into account the expense portion of the activities, the authors obtained the planned values of the main performance indicators for the enterprise until 2025. Analyzing the obtained data, it is possible to draw a number of conclusions:

- The volume of revenue in 2025 relative to 2015 will increase by 6.1 times and amount to about 3.8 billion rubles (Figure 2). This is due to the fact that, firstly, it will be a transition from large-scale production to a complete assembly plant, what will allow developing high-tech production; secondly, with the creation of a special economic zone, what will lead to certain preferences from the state; thirdly, the development of customized production will significantly reduce costs and increase the value added of a unit of goods;

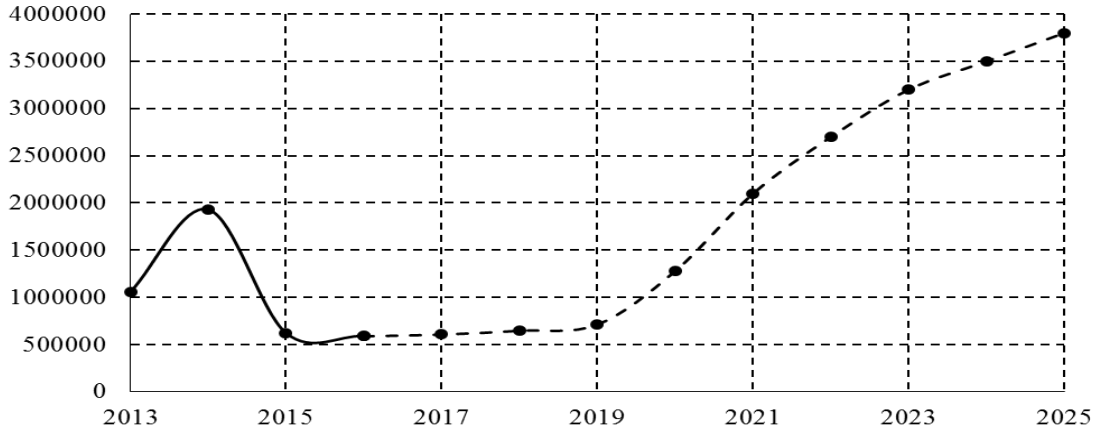


Figure 2 - Revenues in the forecast period

- The gross profit margin in 2025 relative to 2015 will increase by 271.6 times, which is primarily due to the creation of products with high added value and achievement of self-sufficiency by the enterprise. Note that the gross profit in 2025 will exceed the historical maximum value of 2013;

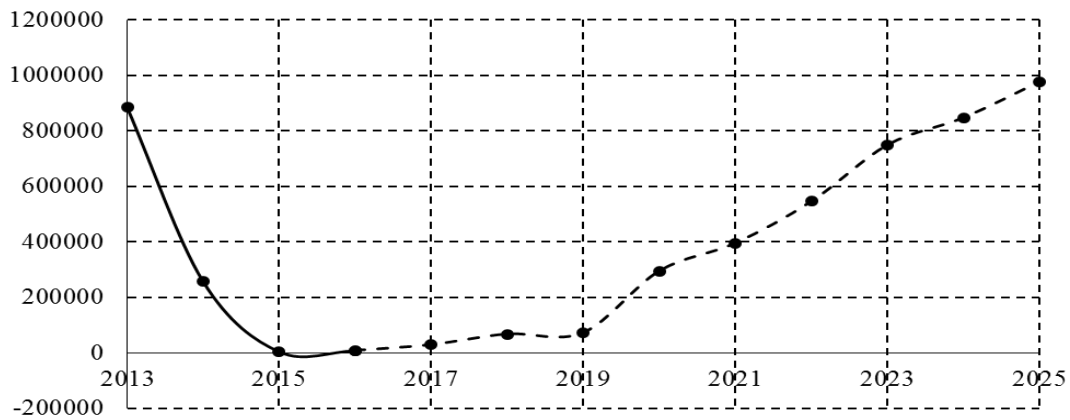


Figure 3 - The volume of gross profit in the forecast period

- Taking into account the trends presented in Figures 2 -3, the profit from sales by 2025 relative to 2015 will increase by 942,263 thousand rubles. In the end of the period it will be about 646.6 billion rubles;

- The main indicator of the activities of any company, "net profit", will increase by 3.65 times by 2015 compared to 2015 (Figure 4), which, even with an increased inflation rate, indicates a qualitative economic growth arising from the operation of the enterprise.

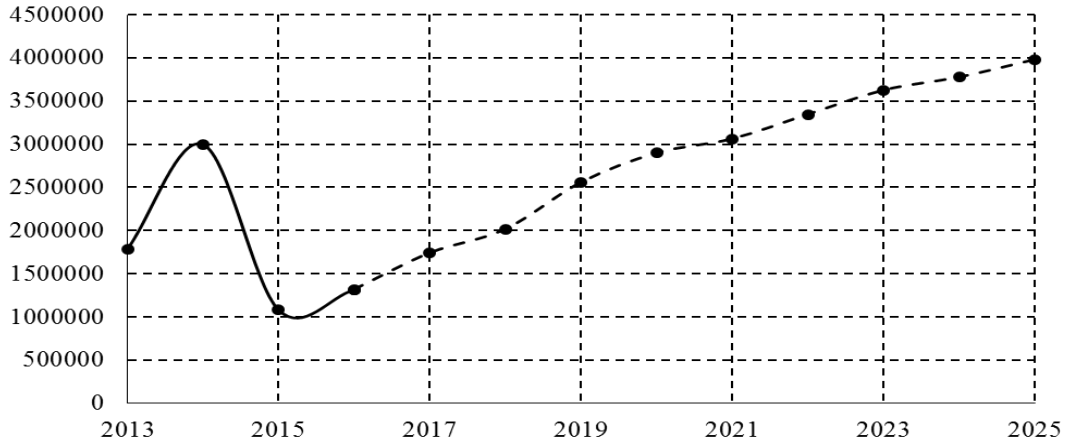


Figure 4 - Net profit (loss) in the forecast period

The calculations conducted confirm that the implementation of the proposed set of measures will be sufficiently effective, and this vector of the enterprise development is optimal, but rather delayed, since the full effect of the measures will be received only after 2020.

It should be noted that the implementation of the proposed measures requires large investments, i.e. adoption of a management decision for improvement is quite expensive and requires substantial re-equipment of existing production capacities, but as world practice shows, automobile industry development is always a high-cost exercise that, with a properly thought out strategy, pays off quickly enough.

SUMMARY.

The Primorsky Territory today provides great opportunities for business development. A new page in its history was opened by the laws on Territories of advanced development and the Free Port of Vladivostok, offering investors a wide range of administrative benefits. In addition, within the framework of the implementation of the law on the Territories of advanced development, the state ensures creation of the necessary engineering and road infrastructure at the expense of the regional and federal budgets. LLC "Mazda Sollers Manufacturing Rus" is a kind of monopoly for the regional market (or even a federal district market), what suggests that changing the external environment leads to a change in the overall development direction of the enterprise. Given that its external environment has undergone significant changes, therefore, the management of the enterprise had to react to the current situation. The analysis showed that the most optimal approach, which is the basis for identifying the optimal portfolio of activities, is the resource and market or strategic one. Thus, the main objective of this approach is that an enterprise adapts itself to the current market situation by optimizing and rationalizing the use of its resources. The study allowed us to identify the main stakeholders for LLC "Mazda Sollers Manufacturing Rus" which have not only their own interests and preferences in relation to the enterprise, but also present certain resources to it in order to satisfy their interests. The resource flows identified in the paper have made it possible for us to develop a number of possible measures, the implementation of which will allow the company's management to take a strong competitive position in the Far Eastern automotive market. In addition, the research results obtained can be used to compile an integrated development strategy for the company, and this study serves as an action plan ("road map") which allows achieving the intended results and contributing to the formation of an anti-crisis strategy.

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