FUNCTIONS AND PRINCIPLES OF STRATEGIC MANAGEMENT

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Strategic management is the development and implementation of long-term goals and actions to achieve high performance in the future. It is also one of the management functions that applies to the long-term goals and actions of the company [1]. The formulation of the strategy (course of action) and its tools are the core of management and an important sign of good company management. Thus, strategic management is the development and implementation of actions leading to a long-term excess of the level of the firm's performance over the level of competitors.

The main stages of strategic management are: 1) Determination of the scope of business and development of the purpose of the company. 2) Transformation of the purpose of the company into private long-term and short-term goals of activity. 3) Determination of the strategy for achieving the goals of the activity. 4) Development and implementation of the strategy. 5) Evaluation of activities, monitoring the situation and the introduction of corrective actions.

There are five functions of strategic enterprise management: strategy planning, organization of strategy implementation, coordination of strategy implementation, motivation to achieve the planned strategic results, monitoring the implementation of the strategy [2].

Planning also has sub-functions such as forecasting, strategy definition, and budgeting. Making a forecast precedes the definition of strategic plans. The goal is to anticipate development prospects and assess risk. Based on the analysis results, the company's management determines the prospects for further development, and also develops a strategy. Budgeting is a cost estimate of the entire resource allocation program.

Organization of the implementation of the strategy involves the creation of the future potential of the enterprise, the coordination of the management system and structure with the chosen strategy, as well as the formation of a corporate and organizational culture that will support the strategy.

Coordination of the implementation of the strategy consists in the coordination of strategic decisions at various levels and the consistent combination of strategies and goals of the enterprise divisions at higher management levels.

Motivation to achieve planned results is associated with the definition of a system of incentives that would encourage employees to achieve their goals.

Monitoring the implementation of a strategy is continuous monitoring of the process of its implementation. Control is designed to determine in advance the upcoming dangers, to identify deviations from the adopted strategy and current errors.

For the successful implementation of these functions, it is necessary to use the principles of strategic enterprise management: scientific approach, purposefulness, flexibility, unity, creation of conditions [3].

Science combined with elements of art. In carrying out his duties, a leader uses data and conclusions from various scientific fields, but in addition he must improvise, constantly looking for individual approaches to solving the tasks assigned to him.

Purposefulness. Strategy formation and strategic analysis should be purposeful, that is, always be focused on achieving the global goal of the enterprise.

Flexibility. This principle assumes the possibility of correcting previously made decisions or revising them at any time in accordance with changed circumstances.

Unity of strategic programs and plans. A prerequisite for success is consistency and close interconnection of decisions at different levels. This unity is achieved by consolidating the strategies of each structural unit of the enterprise, coordinating the plans of all its functional departments.

Creation of conditions conducive to the implementation of the strategy. The mere existence of a strategic plan does not guarantee that it will necessarily be successfully implemented. In the process of strategic management, organizational conditions should be created for the implementation of programs and plans, such as: creating a strong organizational structure, developing a motivation system, increasing the efficiency of the management system.

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