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MANAGEMENT OF SALES ACTIVITIES OF THE ENTERPRISE AS AN EFFECTIVE TECHNOLOGY OF ENTERING INTERNATIONAL MARKETS

The means to expand the volume of production and sales of high-quality confectionery products in the conditions of entering international markets are reviewed. Theoretical aspects of sales management and ensuring an effective system of production and sale of products at the enterprise operating in conditions of entering international markets are investigated; the main areas of the enterprise's activity in the circumstances of entering international markets. A comprehensive analysis of the main equipment and economic indicators of JSC "Kremenchuk Factory "Roshen" was carried out. The schedule of dynamics of volumes of selling with the forecast for 2020-2021, based on the mathematical model is formed. Strategic program of development of JSC "Kremenchuk Factory "Roshen" on effective implementation of sales technologies for entering international markets was developed
Keywords: sales activities, technology, management, international markets, exports, strategy, efficiency.

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УПРАВЛІННЯ ЗБУТОВОЮ ДІЯЛЬНІСТЮ ПІДПРИЄМСТВА ЯК ЕФЕКТИВНА ТЕХНОЛОГІЯ ВИХОДУ НА МІЖНАРОДНІ РИНКИ

У статті розглянуті шляхи розширення обсягів збуту високоякісної кондитерської продукції в умовах виходу на міжнародні ринки. Досліджені теоретичні аспекти управління збутом та забезпечення ефективної системи виробництва й реалізації продукції на підприємстві, що працює в умовах виходу на міжнародні ринки; визначено основні напрямки діяльності підприємства в умовах виходу на міжнародні ринки. Проведено комплексний аналіз основних техніко-економічних показників діяльності АТ «Кременчуцька фабрика «Рошен». Побудовано графік динаміки обсягів реалізації з прогнозом на 2020–2021 рр. на основі математичної моделі. Розроблено стратегічну програму розвитку підприємства АТ «Кременчуцька фабрика «Рошен» щодо ефективного впровадження технологій збуту для виходу на міжнародні ринки.

Ключові слова: збутова діяльність, технологія, управління, міжнародні ринки, експорт, стратегія, ефективність.

Setting the problem and its relevance. Against the current backdrop of the development of the domestic economy, the issues of ensuring the competitiveness and sustainable development of the enterprise need special attention. Realization and implementation in production practice of these tasks are possible due to the effective implementation of production and sales policy, which will maximize production capacity, reduce costs and improve product quality, ensure the steadiness of the company's competitive position in domestic and foreign markets.

These factors determined the choice of topic and caused its relevance and practical importance.

Analysis of recent research and publications. Considerable amount of works by scientists was devoted to the research of measures for optimal management of sales activities of enterprises: L. Balabanova, A. Balabanytsiv [1, 2], V.F. Hamaliy, I.V. Fabryka [3], A.V. Klyuchnik, I.O. Belozertseva [4], A.D. Lyapunov [5], V.N. Naumov [6], V.O. Kozub, A.E. Uvarova [7]. On the other hand, there are not enough substantiated aspects of sales management and ensuring an effective system of production and sale of products in the conditions of entering international markets. Additional research of means that will improve sales policy, increase the competitiveness of the enterprise and its products in the foreign and domestic markets is required. All this indicates the necessity for additional review in this aspect and the creation of an effective program of production and sales activity.

The main purpose of the article is to develop theoretical, practical forms and methods of production and sales policy of the enterprise, which operates in a competitive environment, consumer search and establishing foreign economic relations.

Rundown of the main data of the study. Sales tactics should take into account the possible reaction of all stakeholders, including consumers, suppliers, competitors, and others. Tactics involve the involvement and use of resources (information, material, marketing, communication, management), which form the sales potential and, accordingly, the sales policy of sales activities.

The strategy forms the tactics of sales activities, which, in turn, has a number of one-time and current (accelerating cash flow and products, optimization of inventories, countering competitors in foreign markets, sales promotion, flexible pricing policy, increasing the profitability of the main activities of the enterprise) tasks (Figure 1).

The main export indicators of the confectionery industry for 2018 are shown in Figure 2 and Figure 3.

To improve the management of the sales activity of the company in the foreign market certain activities can be proposed, which are systematized in the table. 1.

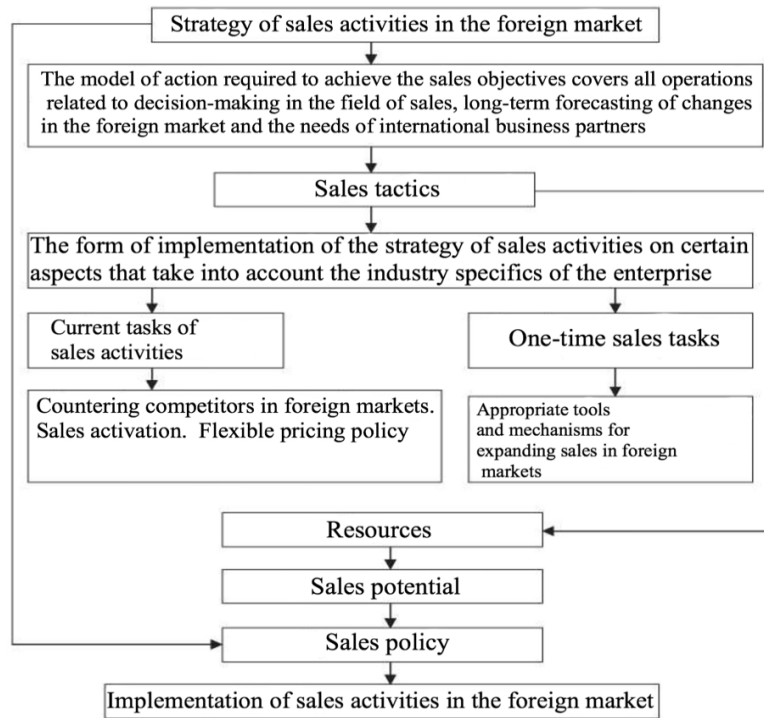


Figure 1. Influence of the sales strategy on realization of sales activity of the enterprise in the foreign market [7]

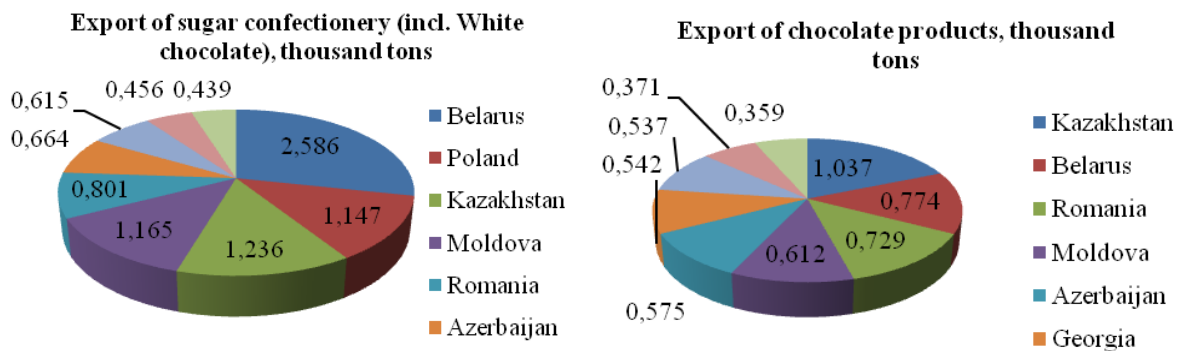


Figure 2. Export indicators of the confectionery industry of Ukraine for 2018

Source: [8]

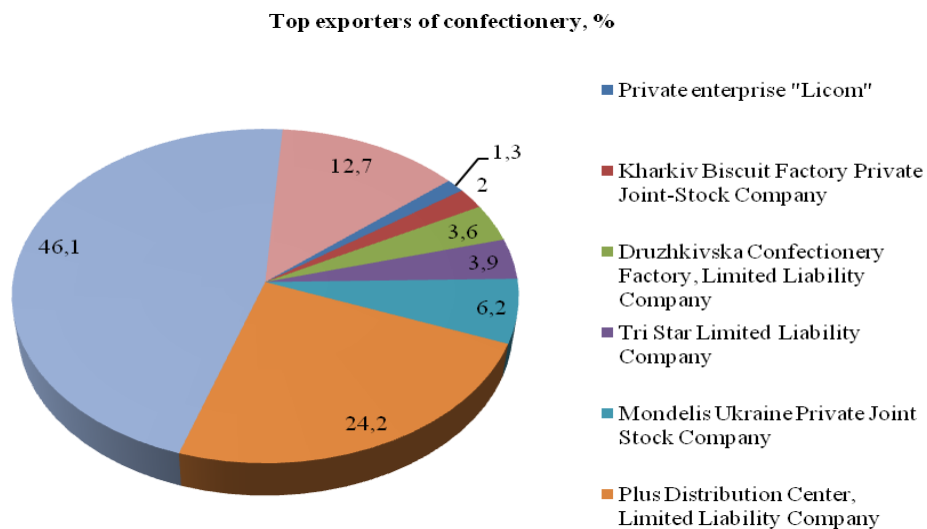


Figure 3. Exporters of the confectionery for 2018

Source: [8]

Table 1

Purposes and Possible Strategies for their Achievement JSC Kremenchuk Confectionery Factory Roshen [9]

Business Components	Target	Strategy
Market	Increase the volume of sales	Penetration into other domestic markets and exports to the countries of the nearest foreign country
Labour	High qualified labour	Organize special courses and internships
Production	Improve product quality	Implementation of automated control system
Price Policy	Keep available price level	Conduct an advertising campaign

The implementation of these activities requires the development of scientific and reasonable marketing policy in the distribution of economic entities taking into account the impact on the object of control of various factors. Among these factors, we can highlight [4, 5]: peculiarities of consumers (quantity, density, level of earnings); possibilities of the company, its financial status, competitiveness, primary areas of marketing strategy, the scale of production; product features (type, average price, the seasonal spread of production, the retention period); the degree of competition and sales policies of competitors (number, concentration, sales strategy and tactics); the characteristics and features of sales (capacity, customs, and international trade practice, the density distribution of buyers); the comparative cost of different distribution network. Thus, the development of management systems for marketing activities should be based on the results of the analysis of the existing marketing system of the enterprise. Such analysis should be conducted not only with quantitative indicators but also qualitative: level of service, satisfaction, and commitment of customers, the effectiveness of communication policy, the correct choice of the segments of the external market, the performance of the sales staff. The factory's products are presented in the markets of Ukraine, USA, Canada, Uzbekistan, Kazakhstan, Lithuania, Azerbaijan, Latvia, Estonia, Kyrgyzstan, Moldova, Israel, Armenia and other countries. Roshen's strategic sales partners are: DiAD LLC (Dnipro and Dnipro region, except for Kryvyi Rih); Soyuz PF (Kharkiv Oblast); Prykarpattia Trading House LLC (Ivano-Frankivsk, Ternopil and Chernivtsi regions); Spark LLC (Zaporizhia region); Budinform LLC (Sumy Oblast); Kharchpak LLC (Zhytomyr region); LLC "Khodak" (Cherkasy and Kirovohrad regions). Using the regression analysis package in MS Excel, a multifactor linear regression model was designed that reflects the dependence of sales volumes on output and productivity of Roshen Corporation for 2014–2019. Based on this model, the forecast of sales for 2020–2021.

As a matter of fact, in a market economy, the sale of products occurs under the portfolio of pre-orders, rather than their own, conditioned resources of the enterprise plans for production. Our analysis proves that the enterprise has insufficient production and sales planning and therefore overproduction. Overproduction was during the crisis of 2014 when market conditions altered. Decreased productivity has led to a decline in sales.

At the moment, labour productivity is kept at a high level, which is a prerequisite for the gradual growth of sales. Using the created model and applying the forecast and preliminary values of factor indicators for 2020-2021 (table 2), we can predict the following product sales indicator: $Y_{2020} = 394,441 + 0,994 \cdot 105340 + 0,749 \cdot 204 = 105255,197$ thousand tons. $Y_{2021} = 394,441 + 0,994 \cdot 112759 + 0,749 \cdot 216 = 112638,671$ thousand tons. Graph of sales dynamics is shown in Figure 4.

Table 2

Values of factor indicators required to determine the forecast value of sales volumes for 2020–2021

Indicator	Total sales, thousand tons	Volume of output of marketable products, thousand tons	Labour productivity per 1 PVP thousand UAH
Year	Y	X1	X2
2020	105255,197	105340	204
2021	112638,671	112759	216

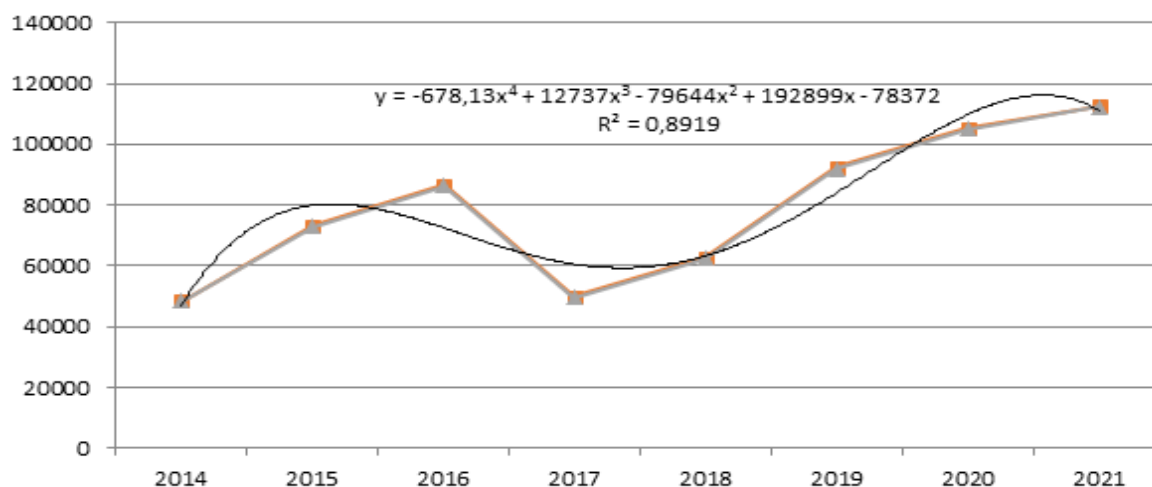


Figure 4. Graph of sales dynamics prediction for 2020–2021, based on the designed mathematical model
Source: [9]

For greater reliability of the applied method, we will make a forecast by constructing a trend line using data provided by the Microsoft Excel spreadsheet. We are building a trend line. For the time series of the sales volume, the largest value of $R^2 = 0.8919$ occurs when using a polynomial function with the number of powers of 4.

The result of forecasting sales is represented by following correlation model:

$$Y = -678.13x^4 + 12737x^3 - 79644x^2 + 192899x - 78372$$

and the image of the trend is presented in Figure 4.

Derived from the model, the projected value of sales shows the positive dynamics compared to the previous year, which does not differ significantly from the company's projected total sales for 2020–2021. It means that the company really assess its sales opportunities.

Thus, the obtained trend demonstrates the trend of further gradual increase in sales by 2021, which confirms the above hypothesis of growth. Implementation of sales forecasting gives an idea of the future activities of the confectionery industry.

The strategic aim of "Roshen" is a production of impeccable quality, the production of high quality confectionery products for the fulfilment of customers' needs and maximizing profits of investors and shareholders. For additional analysis will conduct a SWOT analysis of the enterprise to diagnose the environment in which the individual elements of the influence of the environment on the profitability of the enterprise (along with opportunities and threats) allocated gains and losses than shielded the definition of potential of the enterprise due to the influence of factors of the market environment. Systemic assessment and the SWOT analysis involves the construction of a matrix, which allows to identify mutual areas of research.

One of the essential factors in the deepening crisis processes in the industry became a military conflict in the ATO zone, in which about 18 % of the total volume of domestic confectionery products was produced. In February 2014, the Corporation Roshen has suspended its factory in Mariupol, and in April 2015, its final disposition and relocation of production facilities in Vinnytsia region [9]. Another factor in the onset of the crisis processes in the industry are import restrictions, a ban on the transit of Ukrainian confectionery products through Russia and the loss of foreign markets. After the restrictions on imports of confectionery by the Russian Federation in 2014, the export rate fell by 67 %. Similar problems were also caused by Belarus, which imposed restrictions on the access of Ukrainian goods to the country's market, which cost the Ukrainian side UAH 40 million. The devaluation of the hryvnia and the decline in the purchasing power of the population should also be called a negative factor. The inflation index in 2018 was 108.1 % (in the corresponding period of the previous year – 104.5 %), while food prices rose by 11.5 %.

Against this background, there was another rise in prices for confectionery products due to rising prices for raw materials, electricity and transportation. At the same time, taking into account the whole situation, confectioneries have increased production of medium and low price categories of confectionery. We will put forward the main external and internal factors of the financial crisis at PJSC Kremenchuk Confectionery Roshen which are shown in Table 3.

Table 3

**External and internal factors of the financial crisis
at PJSC Kremenchuk confectionery factory "Roshen"**

Environmental factors	Factors of the internal environment
<ul style="list-style-type: none"> – economic instability; – reduction of purchasing power of the population; – inflationary processes; – changes in legislation; – tax policy; – growing competition in the confectionery industry; – intensification of unfair competition in the market; – rising prices for raw materials 	<ul style="list-style-type: none"> – irrationality in the production sphere; – problems in the field of supply; investments in non-current assets; – lack of funding and irrational budgeting; – loss of product market; formation of excess stocks; – increase in costs for all types of production and economic activities; – a significant share of receivables; – low level of settlement and payment discipline; – low level of return on capital investments; – ineffective management in the field of anti-crisis strategy

Let's build a matrix of SWOT-analysis of PJSC Kremenchuk confectionery factory "Roshen". In accordance with the results of the SWOT-analysis, we will reflect the possible directions of SWOT-strategies of PJSC Kremenchuk Confectionery Roshen. We will introduce possible directions and measures to improve the management of the strategy of PJSC Kremenchuk Confectionery "Roshen" in order to increase the efficiency of its activities (Table 4).

Thus, taking into account the proposed list of possible directions, type and depth of the crisis, the stage of the life cycle and the possibility of the enterprise within the framework of the stabilization strategy, for PJSC "Kremenchuk Confectionery Factory "Roshen" it is promising to apply measures to optimize the process of management of accounts receivable, as well as improvement of marketing and sales policy.

Table 4

**Directions and measures to improve the management of the strategy
of PJSC "Kremenchuk confectionery factory "Roshen" [9]**

Directions to increase profitability:	Directions for increasing liquidity and solvency:
1) increase in production and sales, while in this area requires diversification of goods and reorientation of activities to increase production of highly profitable products, effective marketing policy; 2) reduction of production costs, introduction of norms of consumption of raw materials; 3) change in pricing policy; 4) introduction of innovative technologies, modernization and reconstruction of fixed assets; 5) creation of own raw material base, use of secondary resources; 6) systematic research of the confectionery market, trends in supply and demand in it; 7) improving the quality of products and control of their compliance with certificates; 8) Involvement of highly qualified personnel in the production process, increase of labour productivity and motivation; 9) revision of the policy of cooperation with suppliers, partners, intermediaries	1) increase in revenue and a significant reduction in costs, which will increase the company's profits; 2) reducing the cost of production and costs, the source of coverage of which is profit, improves the solvency of the enterprise; 3) sale of some low-profit structural units and fixed assets. Thanks to this operation, the company can obtain investment resources for more profitable activities and refocus production; 4) lease fixed assets that are not fully used in the production process; 5) restructuring of enterprise assets; 6) ensuring the smooth operation of the enterprise; 7) determining the optimal amount of raw materials; 8) establishing compliance of production plans and sales plans; 9) receivables management; 10) refusal of capital investments that exceed the financial capabilities of the enterprise
Directions for increasing financial stability:	Directions for improving the efficiency of capital use
1) reducing the cost of products (works, services); 2) search for the optimal ratio of equity and debt capital, which ensures the return on equity; 3) improving the efficiency of cash flow management of the enterprise; 4) optimization of sales policy, expansion of markets; 5) increase in cash on the current account of the enterprise	1) reducing the duration of the production cycle by intensifying production (use of new technologies, mechanization and automation of production processes, increasing productivity, fuller use of production capacity, labor and material resources, etc.), as well as increasing control over the movement of the most important categories of stocks (based on the ABC analysis system) and distribution in strict accordance with the structure of their spending; 2) improving the organization of material and technical support in order to ensure uninterrupted production of the necessary material resources and reduce the time of capital in stocks; 3) acceleration of the process of shipment of products and registration of settlement documents; 4) reduction of time spent on receivables, application of promising forms of refinancing receivables, effective forms of regulating the average balance of cash assets (reduction of cash payments, opening a "credit line" in the bank), creating clear control systems for receivables and cash; 5) increasing the level of marketing research aimed at accelerating the promotion of goods from producer to consumer

Conclusions. Among the internal factors of the crisis domestic enterprises of the confectionery industry can be identified such as changing the conditions of supply, reducing the efficiency of resources and production facilities, lack of finance inefficient financial strategy, lack of mechanisms for predicting crises, etc. The use of anti-crisis measures within these areas is aimed at eliminating the problematic aspects of the enterprise's activities, found in the course of financial, discretionary analysis and express diagnostics. In particular, the first direction, namely improvement of receivables management, becomes of particular relevance in today's crisis conditions of the domestic economy. Currently Pjsc "Kremenchuk Confectionery Factory "Roshen" is in financial crisis, so control of the amount of receivables has a strategic priority. This is due to the fact that accounts receivable has an active impact on the volume and structure of the company's money supply, its payment turnover, as well as the speed of turnover. Since the company has problems with liquidity, financial stability, profitability and capital, the implementation of this event in the strategic perspective will provide an opportunity to improve its financial and economic situation. The second measure on expanding the advertising activities of the enterprise, which aims to increase the profitability of the enterprise, as one of the problematic aspects in the strategic anti-crisis management of PJSC "Kremenchuk Confectionery Factory "Roshen". Consequently, the possibility of increasing the competitiveness of the enterprise - the introduction of new technologies, new equipment (new lines), improving the appearance due to packaging, development of new types of products. Promotion of the product to the foreign market is a strategically important element for the sale and sale of manufactured products. The expansion of sales is planned to be carried out in two directions: by increasing the capacity of the market; by increasing the assortment and production potential of the factory.

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