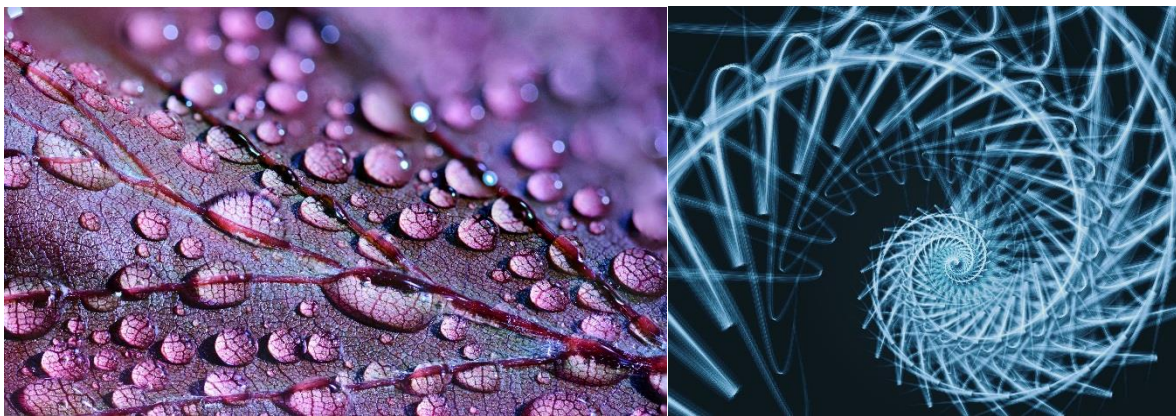


JBM

Research and Innovate

**JOURNAL
OF
BIO-BASED MARKETING**



VOL.2, 2024

The Journal of Bio based Marketing[©]

Research and innovate

The Journal of Bio based Marketing (JBM) provides a forum for academics, researchers, entrepreneurs, young experts, professionals, educators to analyze global aspects of bio-based marketing as a theoretical idea and real business model in value chain of bio-based products. Covering all aspects of knowledge regulation and order including organizational issues, technology support, knowledge representation, transfer of knowledge and knowledge valorization. JBM focus on the following topics:

- Bio-based technologies;
- Bio-based marketing strategies;
- Technology transfer and new business models;
- Policy and regulation of bio-based products
- E-marketing and sales

JBM is indexing in OpenAire.



Editorial Board

Professor Sofronij Miladinovski - MIT University, Skopie – North Macedonia – **editor in chief**
Professor Dimitre Nikolov – Institute of agricultural Economics – Sofia, Bulgaria
Professor Hrabrin Bashev - Institute of agricultural Economics – Sofia, Bulgaria
Professor Ivan Boevsky – New Bulgarian University, Sofia, Bulgaria
Professor Kamen Petrov – University of National and World Economy, Bulgaria
Professor Sreten Miladinovski – MIT University, Skopie – North Macedonia
Professor Rangel Trandafilov – Balkan Agricultural Institute, Sofia, Bulgaria
Professor Jose Luiz Garcia Lopez – Polytechnic University of Madrid, Spain
Professor Dusan Cogoljevic – Faculty of Business Economics, Belgrade, Serbia
Professor Jesuf Feiza – AAB – College in Pristina, Republic of Kosovo
Professor Alex Svidersky – Pedagogical Institute – Pavlodar, Kazakhstan
Professor Petar Borisov – Agricultural University of Plovdiv, Bulgaria
Associate professor Teodor Radev - Agricultural University of Plovdiv, Bulgaria
Associate professor Rezeal Kolaj - Agricultural University of Tirana, Albania

Managing Board

Professor Petar Borisov, DSc

Associate professor Teodor Radev, PhD

Professor Ivan Boevsky, PhD

Assistant professor Fidan Qerimi, PhD

Adress: Osvojudenie str. 33 Entr. A, Plovdiv, Bulgaria, 4000

E-mail: journalbiobasedmarketing@gmail.com

Phone number: +35932894627260

www.journalbbm.wordpress.com

ACKNOWLEDGEMENTS

The results published in the articles at the current issue are funded by National Scientific Program – “Intelligent Plant-growing”, 2021-2024, Ministry of Education and Science – Bulgaria, Sofia. The aim of the programme is to support basic and applied research to create models for robotic technologies, digital diagnostic and forecasting methods, and digital management of crop farms to ensure a sustainable and efficient food system. For further information, please visit the official website of the program –

www.nnp-ir.bg

Publishing house

Belloprint, Pazardjik

Konstantin Velichkov str. 97

Phone number: +35934441694

ISSN 2683-0825

CONTENT

THE IMPACT OF BREXIT ON LABOUR IN THE SOFT FRUITS INDUSTRY IN THE UNITED KINGDOM	5
STRATEGIC MANAGEMENT: NAVIGATING THE COMPLEXITIES OF COMPETITIVE ADVANTAGE	13
STRATEGIC MANAGEMENT: APPROACHES AND PRACTICES	26
IMPACT OF DEMOGRAPHIC PROCESSES AND IMPROVEMENT OF REGIONAL DEVELOPMENT THROUGH THE IMPLEMENTATION OF E-GOVERNMENT AND REDUCING UNEMPLOYMENT IN DOBRICH DISTRICT	36
A MODEL OF CONFLICT MANAGEMENT STRATEGY IN BUSINESS ORGANIZATION.....	47
TRENDS IN SPATIAL AND REGIONAL DEMOGRAPHIC DEVELOPMENT OF THE SILISTRA REGION.....	54
APPLICATION OF AI FOR CRM OPTIMIZATION AND SUSTAINABLE AGRIBUSINESS DEVELOPMENT	62
PREREQUISITES (CONDITIONS) FOR APPLYING A MARKETING APPROACH BY BULGARIAN VEGETABLE PRODUCERS	68

THE IMPACT OF BREXIT ON LABOUR IN THE SOFT FRUITS INDUSTRY IN THE UNITED KINGDOM

Dobri Dunchev¹

¹Email: dobri.dunchev@yahoo.com Agricultural University of Plovdiv, bul. "Mendeleev" 12, 4000 Trakiya, Plovdiv, Bulgaria

ABSTRACT

The decision for the United Kingdom to leave the European Union (EU), known as Brexit, has profoundly affected various sectors of the economy. One such sector significantly impacted by this monumental shift is the soft fruits industry within the UK's agricultural landscape. This article delves into the repercussions of Brexit on labour dynamics within the soft fruits industry. The cessation of free movement between the UK and the EU has resulted in unprecedented challenges, particularly in sourcing adequate labour for crucial seasonal tasks like fruit picking and harvesting. The abrupt reduction in the availability of migrant workers from EU countries has sparked labour shortages, casting uncertainty over the industry's operations and productivity. Through an exploration of these challenges and potential solutions, this article seeks to illuminate the intricate relationship between Brexit and the labour force in the UK's soft fruits industry.

KEYWORDS: Brexit, Labour shortage, Soft fruits industry, seasonal workforce

ABSTRAKT

Die Entscheidung des Vereinigten Königreichs für den Austritt aus der Europäischen Union (EU), bekannt als Brexit, hat tiefgreifende Auswirkungen auf verschiedene Sektoren der Wirtschaft. Ein solcher Sektor, der von dieser monumentalen Veränderung erheblich betroffen ist, ist die Beerenobstindustrie in der britischen Agrarlandschaft. Dieser Artikel befasst sich mit den Auswirkungen des Brexit auf die Arbeitsdynamik in der Beerenobstindustrie. Die Beendigung der Freizügigkeit zwischen dem Vereinigten Königreich und der EU hat zu noch nie dagewesenen Herausforderungen geführt, insbesondere bei der Beschaffung geeigneter Arbeitskräfte für wichtige saisonale Aufgaben wie Obsternte und -verarbeitung. Der abrupte Rückgang der Verfügbarkeit von Arbeitsmigranten aus EU-Ländern hat einen Arbeitskräftemangel ausgelöst, der den Betrieb und die Produktivität der Branche in Frage stellt. Durch eine Untersuchung dieser Herausforderungen und möglicher Lösungen versucht dieser Artikel, die komplizierte Beziehung zwischen dem Brexit und den Arbeitskräften in der britischen Beerenobstindustrie zu beleuchten.

STICHWORTE: Brexit, Arbeitskräftemangel, Beerenobstindustrie, saisonale Arbeitskräfte

RÉSUMÉ

La décision du Royaume-Uni de quitter l'Union européenne (UE), connue sous le nom de Brexit, a profondément affecté divers secteurs de l'économie. L'un d'entre eux, fortement touché par ce changement monumental, est l'industrie des fruits à baies dans le paysage agricole du Royaume-Uni. Cet article se penche sur les répercussions du Brexit sur la dynamique de la main-d'œuvre dans l'industrie des

fruits à baies. L'arrêt de la libre circulation entre le Royaume-Uni et l'UE a entraîné des défis sans précédent, notamment en ce qui concerne l'approvisionnement en main-d'œuvre adéquate pour les tâches saisonnières cruciales telles que la cueillette et la récolte des fruits. La réduction brutale de la disponibilité des travailleurs migrants en provenance des pays de l'UE a provoqué des pénuries de main-d'œuvre, jetant l'incertitude sur les opérations et la productivité du secteur. En explorant ces défis et les solutions potentielles, cet article cherche à mettre en lumière la relation complexe entre le Brexit et la main-d'œuvre dans l'industrie des fruits à baies au Royaume-Uni.

MOTS-CLÉS: Brexit, pénurie de main-d'œuvre, industrie des fruits à baies, main-d'œuvre saisonnière

INTRODUCTION

The study aims to identify the impact of Brexit on labour, address the labour challenges from 2020 to 2023, and contribute to resolving future labour issues. This study is grounded in a survey conducted between 2020 and 2023, utilizing a 'Case study' approach as its methodological framework. The investigation focuses on a UK-based company with operations across five farms situated in diverse regions of the country. Notably, this international company specializes in the private sector within the edible horticultural industry, growing soft fruits (raspberries, blackberries, strawberries, blueberries) and stone fruits (cherries). The organisation has expanded its farming operations to include the UK, Portugal, China, and South Africa.

The company manages a seasonal workforce of approximately 1300 individuals in the UK, comprising over 8 different nationalities. The provision of affordable accommodation by the company serves as a significant advantage for migrant workers. Operating year-round, the farm experiences its peak season between April and November, during which it accommodates a substantial number of seasonal workers for this 5 to 7-month period. However, the most pressing challenge facing the farm revolves around the contemporary political and economic issue of Brexit. The repercussions of Brexit have significantly impacted seasonal labour, bringing substantial financial implications.

RESULTS AND DISCUSSION

Brexit had a significant impact on labour across various sectors in the UK. According to the Centre for European Reform, the end of free movement resulted in a shortage of 330,000 workers in the United Kingdom, predominantly affecting less-skilled sectors of the economy. Post-pandemic, sectors such as health, social care, transport, and hospitality faced substantial labour shortages, prompting some Brexit supporters to advocate for further liberalization, although without positive outcomes. In hospitality and administration, there are minor labour shortages among non-EU-origin workers, but overall, less-skilled workers from non-EU origins held relatively stable. While there was a slight increase in non-EU workers in more skilled sectors like healthcare and education, these numbers are insufficient to compensate for the shortages of EU workers.

Similar agricultural businesses experienced unpredicted labour shortages from 2020 to 2023. The UK soft fruit market is an extremely competitive one, the margins are tight, and there is very little annual growth in the market. The sales prices remain similar year-on-year. Labour is the biggest cost for a soft

fruit business, making up approximately 50% of the costs. With the sales prices remaining the same, and the minimum wage increasing annually, the only way to maintain or improve the profit margins are: to increase the productivity of the crop (more kgs of fruit per plant); increase labour productivity (kgs picked per hour); or find a way of getting the crop to produce fruit early or late in the season when the sales prices are higher. The study defines labour challenge and resolution for this in 2020-2023 and produces recommendations for future recruitment strategies. This study intends to scrutinise the Brexit impact and to demonstrate changes into the workforce structure.

The agriculture and horticulture sectors in the UK have traditionally relied on migrant labour, a dependence that has increased in recent times due to seasonal fluctuations in demand and a decline in unemployment rates within the UK. This study delves into the existing challenges within the industry related to a shortage of labour and explores additional concerns regarding the potential effects of Brexit on the labour supply. A significant factor driving Brexit was the aim to have more control over the inflow of immigrants from European Union nations into the United Kingdom. (Simionescu et al., 2017)

The challenge of labour shortages has a long history, dating back to 1945 with the introduction of the Seasonal Agricultural Workers Scheme. The scheme was designed to address labour shortages by allowing students aged 18 to 25 to work from across Europe. Over time, the scheme underwent numerous alterations. Initially focused on cultural exchange, it evolved in response to changes in labour demand and policy.

While eligibility rules, quotas, and operations changed, the essence of the scheme remained, enabling short-term stays for workers, often students, on UK farms. Quotas fluctuated, reaching 25,000 in 2004 and then reducing to 16,250 in 2005. The underlying policy since 2005 aimed to phase out the scheme, with the quota stabilized at 21,250 since 2009 due to the accession of A8 nationals to the European Union.

Upon Bulgaria and Romania joining the EU in 2007, the Labour Government chose to impose transitional restrictions on the free movement rights of Bulgarian and Romanian workers. (House of Commons Library, 2007). These restrictions affected their opportunities to work in the UK in different ways: highly skilled workers faced no restrictions, while low-skilled workers were limited to the Seasonal Agricultural Workers Scheme (SAWS) and the Sector-Based Scheme only.

The Coalition Government decided to maintain these restrictions throughout the entire seven-year transition period. SAWS was open from 2008 to 2013 for Bulgarian and Romanian nationalities only, and subsequently, the scheme closed to non-EEA nationalities in 2013. During these years, the agricultural sector depended on the free movement of people from EU countries.

Before Brexit, between 2014 and 2020, the farm took pride in conducting its own recruitment without the involvement of recruitment agents. The farm carried out individual interviews, set right expectations for 100% of their seasonal agricultural workers, and attracted and selected individuals into the right roles at the right time at no cost for both the employer and the employee. The migrant workers were primarily of EEA nationalities, with 95% being Bulgarians and Romanians, and the remaining 5% consisting of others, such as Polish, Lithuanians, and Latvians. Before Brexit, the farm actively participated in the entire recruitment process, including advertising through social media, organizing recruitment trips, presenting the company, and conducting interviews in Bulgaria and Romania 5 to 6 times a year. The

retention rates within the seasonal workforce at the company were between 60% and 70%, significantly higher compared to other competitors.

In the beginning of 2020, the farm actively started researching different opportunities to secure labour for 2020 and 2021. The UK Government announced that EU, EEA, or Swiss Citizens could continue to use their passport or national identity card to prove they could work in the UK until June 30, 2021. From July 1, 2021, new rules were applied, and only EEA workers who were granted pre-settled or settled status would be eligible to work. The last recruitment trips to Bulgaria and Romania were done in 2020, as the new rules for rights to work were applied after that. Only two of the scheduled eight recruitment trips to Bulgaria and Romania were held due to travel restrictions during the Covid-19 Pandemic.

In March 2019, the UK government launched the Seasonal Workers Pilot scheme (SWP), enabling the recruitment of a limited number of temporary migrants for specific roles in the edible horticultural sector through two operators for the Pilot scheme with 2500 places for the whole industry. The Government extended the Scheme places from 2500 to 10000 places in 2020. On December 22, 2020, the government extended the Seasonal Workers Pilot Scheme for a further year, with 30,000 places and introduced the need for an additional two operators. In May 2021, DEFRA and the Home Office announced the names of two more Pilot Operators, and in February 2023, one of the operators lost their license. In 2023, another two operators have been chosen to operate under the scheme, and the places under the Scheme have increased to 45,000. Under the Scheme, the operators acted as sponsors under the immigration framework – Visa Tier 5. The visa is for a maximum period of 6 months, and workers can only be in the UK on the visa once in 12 months - there must be a clear break of 6 months between visas. The participants in the scheme need to pay for their visa an amount of £244, and the organisations need to pay a commission for every worker to the operator between £240-£320. These amounts have changed to an average of £400 commission for every worker arrived at the farm in 2023.

During the Covid-19 Pandemic, in April 2020, the farm made a decision to start recruiting locally and to connect to one of the two pilot operators to secure the labour needs in 2020 and possibly negotiate for 2021 and onwards.

The organisation employed 210 NON-EU Seasonal Workers Pilot (SWP) participants, primarily Ukrainians and Belarusians, alongside 183 British workers. The SWP workers were supplied by the two Pilot Labour Operators. However, the company faced shortages at the beginning of the spring season in 2020 due to the Covid-19 Pandemic and the applied travel restrictions. Consequently, the HR and Welfare team recruited 183 British workers through the 'Pick for Britain' campaign. 'Pick for Britain' was established by a consortium of UK-based businesses aiming to ensure that the shortfall of migrant farming seasonal workers during the Covid-19 Pandemic would not adversely affect their operations.

The length of stay for the British workers was unexpectedly short, with 183 workers in 2020 and only 7 in 2021, ranging between 30 and 60 days. This duration fell below the average length of stay for migrant EEU workers and SWP workers, which typically ranged from 140 to 170 days. Consequently, productivity was lower than the company's performance expectations.

In 2020, SWP workers, primarily Ukrainians and Belarusians, had an average tenure of 140 days, meeting the labour needs. However, their performance fell below the company's expectations. The work productivity of the seasonal workforce was continuously monitored and evaluated to ensure its effectiveness.

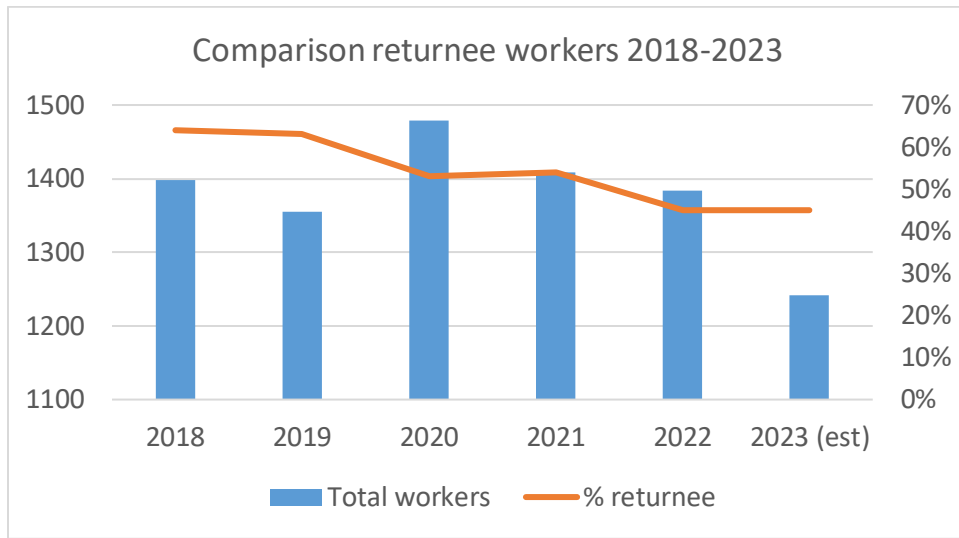


Figure 1. Comparison returnee workers (2018-2023). Source – own research, based on data of EUROSTAT

The figure illustrates the total number of workers at the farm from 2018 to 2023 and the corresponding percentage of returnee workers. It is evident that the percentage of returnees is declining, dropping from 64% in 2018 to 41% in 2023. Until 2018, the percentage of returnees remained consistently around 65%, significantly contributing to productivity and achieving excellent results. Despite inviting some returnees from non-EU countries after 2020, the farm was unable to reach the pre-Brexit EEA level of returnee workers.

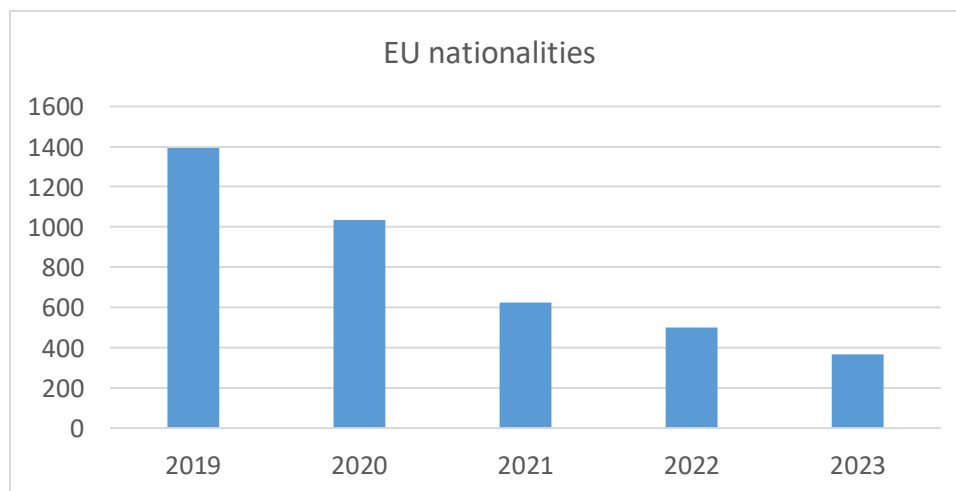


Figure 2. The impact of Brexit on EU nationalities at the farm level. Source – own research, based on data of EUROSTAT

Figure 2 illustrates the impact of Brexit on EU nationalities at the farm, indicating a decrease in numbers from 1393 EEA workers in 2019 to only 367 in 2023. This decline has had a negative effect on the efficiency and productivity of the workforce within the organisation.

The EU Settlement Scheme was introduced to enable EU, EEA, and Swiss citizens residing in the UK by 31 December 2020, along with their family members, to obtain the necessary immigration status for continuing to live, work, and study in the UK. For those citizens residing in the UK by 31 December 2020, the application deadline was 30 June 2021. To ensure that the labour plan of maximizing returnees would not be affected, the company contributed by ensuring that workers had applied to the scheme by the deadlines. The current workforce was evaluated, demonstrating the importance of 100% of EU workers participating in the EU Settlement Scheme.

The company has implemented a bonus reward system to recognize and reward the best seasonal workers. Depending on their performance, seasonal workers could be granted three different rewards – Bronze, Silver, and Gold rewards. Each reward consists of a monthly pay bonus and other benefits, including clothing, opportunities for longer working hours, and advantages when applying for specific roles.

Despite the Covid-19 travel rules, an additional 195 EEA workers were recruited, joining the company in 2020 and meeting labour needs until the end of the picking season. All of them had the right to apply through the EU Settlement Scheme and were granted Pre-settled status. There were not enough candidates for recruitment trips to Bulgaria and Romania in 2021 due to the significantly dropped percentage of applicants with Pre-settled and Settled status. EU workers with Pre-settled and Settled status who were based in the UK preferred permanent employment offers in different areas other than the edible agricultural sector. The outcome of the combination of the Covid-19 lockdown and restrictions, and Brexit rules, was that many EEA workers returned to their home countries for good. Embracing non-EEA SWP workers, who come from a culture distinct from EEA countries, posed a significant challenge for the company.

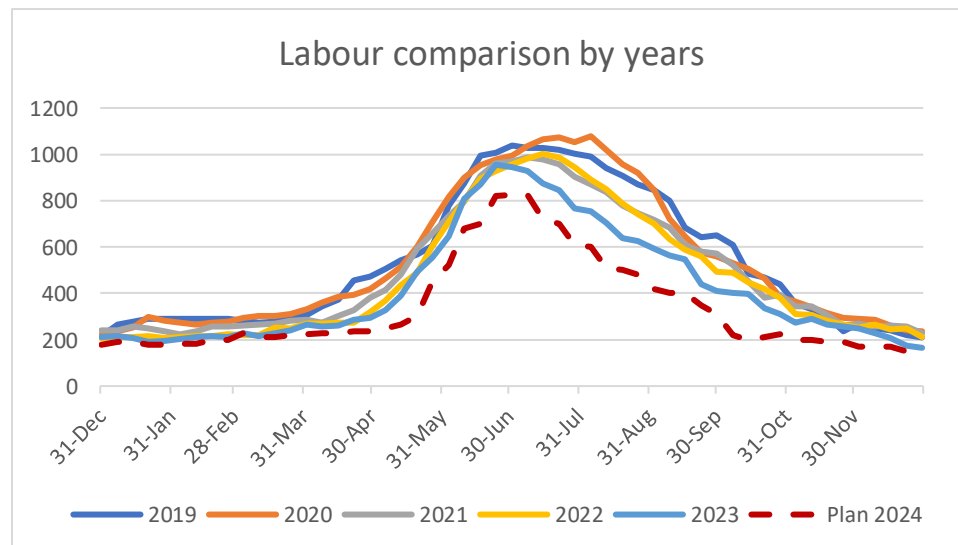


Figure 3. Labour comparison by years Source – own research, based on data of EUROSTAT

The successful workforce planning at the farm from 2020 to 2023, balancing labour supply against demand – the right number of people with the right skills at the right time, was crucial. This helped the organisation meet future skill needs and supported long-term business goals.

Employee turnover could negatively impact an organisation's performance. By understanding the reasons for leaving with HR KPIs and HR metrics, different recruitment and retention initiatives can reduce turnover and increase employee retention.

Figure 3 illustrates the labour plan for the company across its five different farms in the UK. It compares the total labour needs from 2019 to 2023 and estimates the labour plan for 2024. The figure clearly indicates the company's effort to achieve a reduction in labour requirements to address challenges in meeting the demand, primarily influenced by the impact of Brexit.

One of the main drivers for achieving the goal of reducing the number of seasonal workers is the introduction of innovations to replace people. Such are robots for harvesting, automation of packaging lines and others. This is one of the options to reduce the negative impact of Brexit but also to contribute to the modernisation of agriculture.

CONCLUSION

- Brexit has presented significant challenges and uncertainties for the UK soft fruit industry, impacting trade, labour, regulations, costs, and market dynamics. Adapting to these changes and finding new strategies to mitigate the challenges posed by Brexit will be crucial for the industry's sustainability and growth.
- The reduction in the number of EEA workers remains a significant challenge for various industries, and addressing this issue is crucial for the sustained growth and functioning of the UK economy.
- Following Brexit and the end of freedom of movement, the UK government introduced the Seasonal Workers Pilot (SWP) scheme as a way to address labour shortages, particularly in sectors heavily reliant on seasonal workers, such as agriculture and horticulture. The SWP allows agricultural businesses to hire seasonal workers from outside the UK for a limited period (6 months).
- The organisation encountered numerous difficulties after Brexit while operating with new nationalities from Asia with entirely different cultures compared to EEA nationalities.
- Despite the company investing in different strategies to retain EEA returnee nationalities, many of them have left and returned to their original countries.
- The reduced number of returnee workers led to financial implications, mainly costs incurred by decreased productivity and investments in training new people.
- Commissions for hiring people through Labour Operators have become a significant cost for the company, especially when compared to the pre-Brexit period when workers had the rights of free movement.
- A deep understanding of the elements of organisational development, such as culture, capability, values, behaviours, and relationships, would help the organisation understand the current state and identify issues and opportunities for the future. The company must fully

- involve its staff in the future of the business to secure the implementation of innovations and discover new opportunities.
- People are the most important asset of an organisation, and they are key to efficient operations and business excellence. Haygrove recognizes that people are the most important key point for future success. People are an organisation's most valuable resource, and they need to feel valued to develop their talents and increase their productivity.
 - A higher percentage of returnee workers within the seasonal workforce is a significant benefit to boost performance in every organisation. Offering a package of benefits, including learning and development opportunities and workplace wellbeing (flexible working), will improve retention rates for returnee workers. Uplifting skills within the organisation may be achieved with the right courses and training programs. Apprenticeships and traineeships should be considered top priorities in the recruitment strategies within the organisation.

REFERENCES

Early impacts of the post-Brexit immigration system on the UK labour market (no date) Centre for European Reform. Available at: <https://www.cer.org.uk/insights/post-brexit-immigration-uk-labour-market> (Accessed: 05 December 2023).

House of Commons Library: "Transitional Controls on the Free Movement of Workers from Bulgaria and Romania" - This publication provides an overview of the transitional restrictions imposed by the UK government after Bulgaria and Romania's EU accession in 2007.

<https://researchbriefings.files.parliament.uk/documents/CBP-7987/CBP-7987.pdf> (Accessed: 07 December 2023).

Jones, A. and Sian Jones Sian comes from a B2C background. She went back to university as a mature student and gained a degree in marketing and a Master's in Public Relations. Sian brings to us a love of researching and digital marketing skills. When Sian is not working (2023) *A guide to SWOT and pestle analysis (with free template)*, LOCALiQ. Available at: <https://localiq.co.uk/blog/a-complete-guide-to-using-swot-pestle-for-marketing> (Accessed: 07 December 2023).

Simionescu, M., Strielkowski, W., & Kalyugina, S. (2017). The impact of Brexiton labour migration and labour markets in the United Kingdom and the EU. *Terra Economicus*, 15(1), 148-156.

STRATEGIC MANAGEMENT: NAVIGATING THE COMPLEXITIES OF COMPETITIVE ADVANTAGE

Guțu Ana¹

¹E-mail: ana.gutu@student.usv.ro, Ștefan cel Mare University of Suceava, Romania, Strada Universitatii, 13 Suceava 720229

ABSTRACT

In this paper, we'll be exploring strategic management - a vital aspect of organizational success, involving the formulation and implementation of strategies to achieve competitive advantage and sustain long-term growth. This article explores the fundamentals of strategic management, including its definition, key concepts, and the process involved in crafting and executing effective strategies. Furthermore, it examines various strategic management frameworks, such as SWOT analysis, Porter's Five Forces, and the resource-based view, elucidating their significance in guiding strategic decision-making. Additionally, the article delves into the role of leadership in strategic management and discusses contemporary challenges and emerging trends shaping the strategic landscape. Through a comprehensive understanding of strategic management principles, organizations can adapt to dynamic environments, capitalize on opportunities, and mitigate threats to achieve sustainable success.

KEYWORDS: strategic management, implementation, concepts, SWOT analysis, strategic decision, competitiveness, contemporary, artificial intelligence, navigating

ABSTRAKT

In diesem Beitrag befassen wir uns mit dem strategischen Management - einem wesentlichen Aspekt des Unternehmenserfolgs, der die Formulierung und Umsetzung von Strategien zur Erzielung von Wettbewerbsvorteilen und zur Sicherung eines langfristigen Wachstums beinhaltet. Dieser Artikel befasst sich mit den Grundlagen des strategischen Managements, einschließlich seiner Definition, der Schlüsselkonzepte und des Prozesses, der mit der Ausarbeitung und Umsetzung wirksamer Strategien verbunden ist. Darüber hinaus werden verschiedene Rahmenwerke des strategischen Managements wie die SWOT-Analyse, die fünf Kräfte von Porter und die ressourcenbasierte Sichtweise untersucht und ihre Bedeutung für die strategische Entscheidungsfindung erläutert. Darüber hinaus befasst sich der Artikel mit der Rolle der Führung im strategischen Management und erörtert die aktuellen Herausforderungen und aufkommenden Trends, die die strategische Landschaft prägen. Durch ein umfassendes Verständnis der Grundsätze des strategischen Managements können sich Organisationen an ein dynamisches Umfeld anpassen, Chancen nutzen und Bedrohungen abmildern, um nachhaltigen Erfolg zu erzielen.

STICHWORTE: Strategisches Management, Umsetzung, Konzepte, SWOT-Analyse, strategische Entscheidung, Wettbewerbsfähigkeit, zeitgenössische, künstliche Intelligenz, Navigation

RÉSUMÉ

Dans cet article, nous allons explorer la gestion stratégique - un aspect vital de la réussite organisationnelle, impliquant la formulation et la mise en œuvre de stratégies pour obtenir un avantage concurrentiel et soutenir la croissance à long terme. Cet article explore les fondements du management stratégique, y compris sa définition, ses concepts clés et le processus impliqué dans l'élaboration et l'exécution de stratégies efficaces. En outre, il examine divers cadres de gestion stratégique, tels que

l'analyse SWOT, les cinq forces de Porter et la vision basée sur les ressources, en élucidant leur importance dans l'orientation de la prise de décision stratégique. En outre, l'article se penche sur le rôle du leadership dans la gestion stratégique et discute des défis contemporains et des tendances émergentes qui façonnent le paysage stratégique. Grâce à une compréhension globale des principes de gestion stratégique, les organisations peuvent s'adapter à des environnements dynamiques, tirer parti des opportunités et atténuer les menaces afin de parvenir à un succès durable.

MOTS-CLÉS: gestion stratégique, mise en œuvre, concepts, analyse SWOT, décision stratégique, compétitivité, contemporaine, intelligence artificielle, navigation

INTRODUCTION

Strategic management, as defined by Richard M. Grant in his seminal work "Contemporary strategic management" (Grant, 2013) is the comprehensive process undertaken by organizations to establish and maintain a competitive advantage. It's a continuous cycle encompassing situation analysis, strategy formulation, implementation, and evaluation. The situation analysis involves a deep dive into both the internal and external environments. Internally, organizations assess their strengths and weaknesses using tools like SWOT analysis and value chain analysis. Externally, Porter's Five Forces framework helps evaluate industry attractiveness and competitive intensity by analyzing factors like the bargaining power of suppliers and buyers, the threat of new entrants and substitutes, and the intensity of rivalry among existing competitors (Harvard Business Review, 1980). Based on this analysis, strategic options are formulated, which involve setting clear goals, defining the target market, and crafting a competitive strategy that leverages the organization's strengths and exploits opportunities in the external environment. Common strategic approaches include cost leadership, differentiation, or focus strategies. Once formulated, the strategy needs to be translated into action through implementation. This stage involves allocating resources, aligning organizational structures, and establishing processes to effectively execute the chosen plan. Effective communication, leadership, and change management are crucial during implementation to ensure buy-in from all levels of the organization. Finally, strategic management necessitates continuous monitoring and evaluation. Performance is measured against established goals, and adjustments are made to the strategy as needed based on internal and external changes. Tools like balanced scorecards are used to evaluate performance across financial, customer, internal process, and innovation perspectives, ensuring strategic initiatives are aligned with long-term goals and create value for stakeholders.

RESULTS AND DISCUSSION

1.1. Evolution of Strategic Management

The field of strategic management, though relatively young compared to other business disciplines, has undergone a fascinating evolution. Early frameworks like SWOT analysis and Porter's Five Forces emerged, providing organizations with tools to analyze their internal and external environments (Harvard Business Review, 1980). The Resource-Based View (RBV) further enriched the field in the 1990s, emphasizing the importance of a firm's unique capabilities and resources in achieving a competitive advantage (Barney, 1991). Today, strategic management continues to evolve, embracing new challenges like rapid technological advancements and globalization. The focus has shifted towards a more dynamic

and adaptable approach, where organizations constantly assess and refine their strategies to maintain a competitive edge in the ever-changing business landscape.

1.2. The Role of Strategic Management in Organizational Performance

Strategic management plays a pivotal role in orchestrating and sustaining organizational performance. It acts as the bridge between an organization's aspirations and its ability to achieve them in a competitive marketplace. This comprehensive process, as outlined by Grant (2013), involves a continuous cycle of analyzing the situation, formulating strategies, implementing them, and evaluating their effectiveness. Through a thorough situation analysis, organizations gain a clear understanding of their internal strengths and weaknesses (SWOT analysis) and the external opportunities and threats they face (Porter's Five Forces) (Harvard Business Review, 1980). This knowledge empowers them to make informed strategic decisions, setting SMART goals and crafting a competitive strategy that capitalizes on their unique strengths and exploits external opportunities. Strategic management fosters superior performance by ensuring all departments and resources are aligned towards achieving these long-term goals. This alignment minimizes internal conflicts and optimizes resource allocation, leading to more efficient and effective operations. The implementation stage translates formulated strategies into concrete actions. Effective communication, leadership, and change management are crucial during this phase to ensure buy-in from all levels of the organization and overcome resistance. Finally, strategic management necessitates continuous monitoring and evaluation using tools like balanced scorecards. By measuring performance against established goals and adapting the strategy based on internal and external changes, organizations can ensure their strategies remain relevant and continue to drive performance. Studies have shown a strong correlation between effective strategic management practices.

2. Understanding the Strategic Management Process

2.1. Environmental Analysis: Assessing the External Landscape

Environmental analysis, a crucial component of strategic management, delves into the external landscape surrounding an organization (Grant, 2013). This analysis assesses both opportunities and threats presented by factors beyond the organization's direct control. Frameworks like Porter's Five Forces provide a structured approach to evaluating the industry's attractiveness, considering factors like competition and the threat of new entrants (Fredrickson, Hambrick and Baum, 2008). By understanding the external environment, organizations can identify strategic pathways to capitalize on emerging opportunities and mitigate potential threats, ultimately influencing their long-term success.

2.2. Internal Analysis: Evaluating Organizational Resources and Capabilities

Internal analysis, the other pillar of strategic situation analysis, focuses on meticulously evaluating an organization's internal environment (Grant, 2013). This introspection involves assessing strengths and weaknesses using tools like SWOT analysis and value chain analysis. Strengths encompass unique resources, capabilities, and competitive advantages, while weaknesses highlight areas for improvement. By understanding these internal aspects, organizations can leverage their strengths to exploit external opportunities and identify areas where internal capabilities need to be bolstered to address external threats (Harvard Business Review, 1980). This self-assessment equips them to make informed strategic decisions and formulate strategies that best utilize their internal resources for sustainable success.

2.3. Strategy Formulation: Developing Clear Objectives and Action Plans

Strategy formulation translates the insights gleaned from internal and external analyses into a clear roadmap for success (Grant, 2013). This stage involves setting specific, measurable, achievable, relevant, and time-bound (SMART) goals that align with the organization's mission and vision. It's here that strategic options are evaluated, considering factors like cost leadership, differentiation, or focus strategies. The chosen strategy defines the target market and outlines a course of action to achieve the established goals. Effective communication and stakeholder buy-in are crucial during this phase to ensure everyone understands and supports the chosen path (Fredrickson, Hambrick and Baum,2008). Ultimately, well-formulated strategies provide a clear direction and actionable plan, propelling the organization towards its long-term objectives.

2.4. Strategy Implementation: Aligning Resources and Initiatives

Strategy implementation bridges the gap between planning and action (Grant, 2013). This critical stage translates the formulated strategy into tangible initiatives. It involves allocating resources, aligning organizational structures, and establishing processes to effectively execute the chosen plan. Effective communication, leadership, and change management are crucial during this phase to ensure buy-in from all levels and overcome resistance (Hamel & Prahalad,1994). Resources, such as personnel, budget, and technology, are allocated based on strategic priorities. Organizational structures may need adjustments to support the chosen strategy, fostering collaboration and clear lines of accountability. Finally, implementing a new strategy often necessitates changes in processes and workflows. By effectively aligning resources and initiatives, organizations ensure their strategy moves from paper to reality, driving organizational performance towards their established goals.

2.5. Strategy Evaluation and Control: Monitoring Progress and Making Adjustments

Strategy evaluation and control ensure that an organization's chosen path remains effective in a dynamic environment (Grant, 2013). This ongoing process involves monitoring progress against established goals and identifying any deviations. Tools like balanced scorecards provide a holistic view of performance across financial, customer, internal process, and innovation perspectives. Based on these evaluations, adjustments to the strategy may be necessary to address unforeseen challenges or capitalize on emerging opportunities. Effective communication and stakeholder engagement are crucial during this phase to ensure all parties understand performance and are aligned with potential adjustments. This continuous monitoring and adaptation loop empowers organizations to maintain a competitive edge and ensure their strategies remain relevant for achieving long-term success.

3. Strategic Management Frameworks

3.1. SWOT Analysis: Assessing Strengths, Weaknesses, Opportunities, and Threats

SWOT analysis serves as a fundamental tool within strategic management, providing a structured framework for internal and external analysis (Grant, 2013). It categorizes key factors influencing an organization's strategic direction. Internally, the analysis identifies strengths and weaknesses. Strengths encompass unique resources, capabilities, and competitive advantages. Weaknesses highlight areas for improvement, such as limited brand recognition or inefficient operations. Externally, the analysis considers opportunities and threats. Opportunities represent favorable external conditions that an organization can leverage, such as emerging markets or technological advancements. Threats, on the other hand, are external challenges that can hinder performance, such as increased competition or economic downturns. By systematically evaluating these four factors (Strengths, Weaknesses,

Opportunities, and Threats), organizations can formulate effective strategies that capitalize on their strengths, address weaknesses, exploit opportunities, and mitigate threats, ultimately guiding them towards achieving their long-term goals.

3.2. Porter's Five Forces: Analyzing Industry Competitiveness

In the realm of strategic management, Porter's Five Forces framework offers a powerful lens for analyzing industry competitiveness [Harvard Business Review, 1980]. This framework dissects the industry landscape by evaluating five key forces: bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitutes, and intensity of competitive rivalry. By understanding the strength of each force, organizations can assess the overall attractiveness of an industry and identify strategic opportunities or threats specific to their competitive landscape. For instance, a high bargaining power of buyers indicates they can exert significant pressure on prices, necessitating a cost-efficient strategy. Conversely, a low threat of new entrants allows for more strategic flexibility (Grant, 2013). By incorporating Porter's Five Forces into their strategic analysis, organizations gain valuable insights to formulate strategies that leverage their competitive advantages and navigate the complexities of their industry for sustainable success.

3.3. Resource-Based View: Leveraging Internal Assets for Competitive Advantage

The Resource-Based View (RBV) offers a strategic management perspective that emphasizes the importance of a firm's internal resources and capabilities in achieving a competitive advantage (Barney, 1991). This view posits that a sustainable advantage arises when a firm possesses resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Valuable resources contribute to a firm's ability to deliver superior value to customers. Rarity ensures these resources are not widely possessed by competitors. Inimitability implies the resources are difficult for competitors to replicate due to factors like complexity or causal ambiguity. Finally, non-substitutability signifies there are no readily available substitutes for these resources. By strategically leveraging these VRIN resources, organizations can establish a sustainable competitive edge, outperforming rivals and achieving long-term success (Grant, 2013).

4. Leadership in Strategic Management

Within strategic management, leadership plays a critical role in guiding the organization through the complexities of strategy formulation, implementation, and evaluation. It's not just about giving orders; effective strategic leadership is about creating a vision, fostering a culture of strategic thinking, and inspiring buy-in from all levels of the organization [13]. Strategic leaders possess a keen understanding of the internal and external environment, allowing them to identify opportunities and threats. They are adept at translating strategic plans into actionable initiatives and mobilizing resources to achieve established goals. Effective communication, collaboration, and change management are crucial aspects of strategic leadership, ensuring everyone understands the chosen path and is equipped to contribute (Kotter, 1996). Ultimately, successful strategic leaders navigate the dynamic business landscape, build high-performing teams, and drive the organization towards achieving its long-term strategic objectives.

4.1. The Role of Leaders in Setting Strategic Direction

Strategic leaders play a pivotal role in setting the strategic direction for an organization. They act as visionaries, guiding the organization towards its long-term goals. This involves a deep understanding of the internal and external environment, achieved through situation analysis. Leaders analyze factors like

strengths, weaknesses, opportunities, and threats (SWOT) to identify strategic opportunities and challenges (Grant, 2013). By leveraging frameworks like Porter's Five Forces, they assess industry competitiveness and potential disruptions (Harvard Business Review, 1980). Based on this comprehensive analysis, strategic leaders set clear and ambitious goals, outlining the desired future state of the organization. Effective communication of this vision is crucial to garner buy-in from all levels and ensure everyone is aligned towards achieving the chosen strategic direction (Kotter, 1996). Ultimately, strategic leaders act as architects, shaping the organization's future by setting a clear and compelling direction for long-term success.

4.2. Transformational Leadership and Strategic Change

In the dynamic world of business, strategic change is often inevitable for organizations to maintain a competitive edge. Transformational leadership plays a critical role in navigating these periods of transition (Bass & Avolio, 1994). Transformational leaders inspire and motivate employees to embrace change, fostering a culture of innovation and risk-taking. They do this by setting a clear vision for the future state of the organization, one that is both aspirational and achievable. This vision serves as a guiding star, motivating employees to step outside their comfort zones and embrace new ways of working (Bass & Steidlmeier, 1999). Additionally, transformational leaders empower their teams, delegating authority and fostering a sense of ownership. This empowers employees to actively participate in the change process, contributing their ideas and expertise. Effective communication is another hallmark of transformational leadership, ensuring everyone understands the rationale behind the change and feels heard throughout the process. By combining vision, inspiration, empowerment, and communication, transformational leadership creates a fertile ground for strategic change, guiding organizations through transitions and propelling them towards achieving their long-term goals.

5. Contemporary Challenges in Strategic Management

The strategic management landscape is constantly evolving, and contemporary organizations face a multitude of complex challenges that necessitate a dynamic and adaptable approach. While core principles of strategic management remain constant, the ever-changing business environment presents new hurdles that organizations must navigate to achieve and sustain a competitive advantage. Here's a glimpse into some of the most prominent contemporary challenges in strategic management:

- **Rapid Technological Change:** The pace of technological advancement is accelerating at an unprecedented rate, disrupting industries and rendering once-effective strategies obsolete. Organizations need to be agile and embrace innovation to stay ahead of the curve. This may involve continuous investments in research and development, fostering a culture of experimentation, and adapting strategies to leverage emerging technologies like artificial intelligence, big data analytics, and automation (Constantinides, Louri & Vahidzadeh, 2018).

- **Shifting Customer Preferences:** Consumer behavior is constantly evolving, driven by factors like increasing digital adoption and a growing emphasis on personalization. Organizations need to be hyper-aware of these changing preferences and adapt their strategies accordingly. This may involve employing data analytics to understand customer needs and desires in real-time, personalizing products and services, and fostering strong customer relationships built on trust and transparency (Verhoef, Lemon, Aditya, Bateson & Shankar, 2009).

- **Globalization and Increased Competition:** Businesses now operate in an interconnected global marketplace. Increased competition from foreign rivals necessitates strategies that leverage global opportunities while mitigating risks. This may involve a focus on international expansion, strategic partnerships with foreign companies, and adapting products and services to cater to diverse customer needs across different markets (Cavusgil, Knight & Riesenberger, 2017).

- **Geopolitical Uncertainty and Economic Volatility:** The global political climate is often fraught with uncertainty, and economic conditions can fluctuate rapidly. Organizations need to be prepared to navigate these external disruptions by developing contingency plans, diversifying their markets, and managing risk effectively (Hill, 2018).

- **Sustainability and Environmental Concerns:** Consumers, investors, and governments are placing a growing emphasis on environmental responsibility. Organizations need to incorporate sustainability considerations into their strategic planning. This may involve adopting environmentally friendly practices, developing sustainable products and services, and aligning their operations with principles of social responsibility.

6. Emerging Trends in Strategic Management

The field of strategic management is constantly evolving to address the complexities of the modern business landscape. Emerging trends are reshaping how organizations approach strategy, with a focus on agility, innovation, and data-driven decision-making. Some key trends to watch include: the rise of digital business ecosystems, the integration of artificial intelligence into strategic planning, and the growing emphasis on stakeholder capitalism, where companies prioritize the well-being of all stakeholders, not just shareholders. By embracing these trends, organizations can navigate uncertainty, create sustainable value, and gain a competitive edge in the years to come.

6.1. Data Analytics and Artificial Intelligence

In the dynamic world of strategic management, data analytics and artificial intelligence (AI) are rapidly transforming how organizations formulate, implement, and evaluate strategies. These powerful tools are no longer futuristic concepts; they are becoming essential for achieving a competitive advantage.

Data analytics empowers organizations to leverage the vast amount of information at their disposal. By collecting, storing, and analyzing data from various sources (customer transactions, social media, website traffic), organizations can gain deeper insights into customer behavior, market trends, and competitor activity. This data-driven approach allows for a more nuanced understanding of the business environment, enabling organizations to identify strategic opportunities and make informed decisions (Chen, Chiang&Storey,2012). Analytics tools like market research reports, customer relationship management (CRM) software, and web analytics platforms provide valuable data points that can be used to assess market attractiveness, customer preferences, and competitor strengths and weaknesses.

Artificial intelligence is further augmenting strategic management by offering advanced capabilities beyond traditional data analysis. AI algorithms can process massive datasets, identify complex patterns, and even make predictions about future trends. This allows organizations to develop more sophisticated strategies, such as personalized marketing campaigns, dynamic pricing models, and proactive risk management strategies. For instance, AI-powered customer segmentation tools can help organizations group customers based on their unique characteristics and tailor marketing messages accordingly, leading to increased customer engagement and loyalty (Gupta & Seetharaman, 2004).

Additionally, AI can automate repetitive tasks associated with strategic analysis, freeing up human resources to focus on higher-level strategic thinking and decision-making.

However, successfully integrating data analytics and AI into strategic management requires careful consideration. Challenges include ensuring data quality and security, fostering a data-driven culture within the organization, and possessing the necessary expertise to interpret and utilize complex data insights. Nevertheless, by overcoming these challenges and embracing the transformative power of data analytics and AI, organizations can gain a significant edge in the competitive landscape, formulate data-driven strategies, and achieve long-term success (McAfee, Brynjolfsson, Davenport & Patil, 2014).

6.2. Open Innovation and Collaboration

In the realm of strategic management, a paradigm shift is underway, moving away from the traditional closed innovation model towards a more collaborative approach – open innovation. This strategy acknowledges the vast pool of knowledge and expertise residing outside the organization's walls. By fostering collaboration with external entities like universities, startups, and even competitors, organizations can unlock a wealth of potential for developing new ideas, products, and technologies (Chesbrough, 2003). This collaborative spirit presents several compelling advantages for organizations seeking a sustainable competitive edge:

Accelerated Innovation and Efficiency: Open innovation injects a potent dose of external knowledge and expertise into the R&D process. This broader perspective fuels a faster innovation cycle, bringing products to market quicker and capitalizing on fleeting market opportunities. By accessing a wider range of ideas and fostering creative collisions, open innovation can lead to more disruptive and groundbreaking solutions (Huizingh, 2011).

Reduced Risk and Cost Burden: Developing groundbreaking ideas in-house can be a costly and time-consuming endeavor. Open innovation offers a strategic advantage by allowing organizations to share the risks and financial burdens associated with R&D. Partnering with external entities can be particularly beneficial when exploring emerging technologies or venturing into uncharted territories, mitigating the potential for significant financial losses.

Access to Specialized Expertise: Organizations may not possess all the necessary skills and knowledge required to develop truly transformative innovations. Open innovation bridges this gap by allowing them to tap into the specialized expertise of external partners. These partners can possess in-depth knowledge in specific fields, enriching the overall innovation process and fostering a more comprehensive approach to problem-solving.

Enhanced Market Awareness: Collaboration with external partners fosters a valuable exchange of knowledge and insights. External partners can provide valuable perspectives on market trends and evolving customer needs. By incorporating this external intelligence into strategic decision-making, organizations can ensure their new products and services are not only innovative but also finely tuned to meet the ever-evolving demands of the marketplace.

However, implementing open innovation effectively necessitates careful planning and management. Key challenges include identifying and selecting the right partners to complement the organization's internal strengths and objectives. Establishing clear intellectual property (IP) agreements is crucial to protect valuable ideas and innovations arising from collaborative efforts. Additionally, fostering

a culture of collaboration both internally and externally is paramount. Effective communication, trust-building exercises, and a shared vision are essential for successful partnerships.

Despite these challenges, open innovation offers a strategic imperative in today's dynamic business landscape. By embracing collaboration and actively leveraging external knowledge, organizations can significantly accelerate innovation, increase efficiency, and propel themselves towards a sustainable competitive edge in the long run (West & Bogers, 2014). Open innovation signifies a strategic shift from a closed system to an open ecosystem, fostering a dynamic exchange of knowledge and expertise that fuels continuous innovation and drives organizational success.

6.3. Agile Methodologies and Lean Practices

In the fast-paced world of business, traditional, rigid project management methodologies are often ill-equipped to handle the constant flux of change. This is where Agile methodologies and Lean practices come into play, offering a more flexible and adaptable approach to achieving strategic objectives.

Agile methodologies prioritize iterative development and continuous improvement. Projects are broken down into smaller, manageable chunks called "sprints," with frequent feedback loops allowing for adjustments based on learnings and changing priorities (Dyche, 2012). This fosters a collaborative environment where cross-functional teams work closely together to deliver high-quality results quickly and efficiently. Common Agile frameworks like Scrum and Kanban emphasize constant communication, rapid experimentation, and a willingness to adapt to unforeseen challenges. This flexibility allows organizations to respond effectively to dynamic market demands and capitalize on emerging opportunities.

Lean practices, often associated with manufacturing, are increasingly being adopted in tandem with Agile methodologies. Lean principles focus on waste elimination and maximizing value for the customer. This translates into a relentless pursuit of efficiency and streamlining processes to deliver the most value with minimal resource consumption (Womack & Jones, 2003). Techniques like Kanban boards and value stream mapping help teams identify and eliminate bottlenecks, optimize workflow, and continuously improve their delivery processes. By applying Lean principles, organizations can reduce development time, minimize errors, and ultimately deliver greater value to their customers.

The synergy between Agile and Lean creates a powerful force for achieving strategic goals. Agile methodologies provide the framework for flexible, iterative development, while Lean practices ensure the efficient and value-oriented execution of these projects. This combination allows organizations to respond quickly to changing market demands, deliver high-quality products and services, and maintain a competitive edge in a dynamic business environment (Popp, Popp & Pinkse, 2015). However, successfully implementing Agile and Lean requires a cultural shift within the organization, encouraging collaboration, embracing experimentation, and fostering a continuous improvement mindset.

6.4. Ecosystem Thinking and Platform Strategies

In the fast-paced world of business, traditional, rigid project management methodologies are often ill-equipped to handle the constant flux of change. This is where Agile methodologies and Lean practices come into play, offering a more flexible and adaptable approach to achieving strategic objectives.

Agile methodologies prioritize iterative development and continuous improvement. Projects are broken down into smaller, manageable chunks called "sprints," with frequent feedback loops allowing for adjustments based on learnings and changing priorities [9]. This fosters a collaborative environment where cross-functional teams work closely together to deliver high-quality results quickly and efficiently. Common Agile frameworks like Scrum and Kanban emphasize constant communication, rapid experimentation, and a willingness to adapt to unforeseen challenges. This flexibility allows organizations to respond effectively to dynamic market demands and capitalize on emerging opportunities.

Lean practices, often associated with manufacturing, are increasingly being adopted in tandem with Agile methodologies. Lean principles focus on waste elimination and maximizing value for the customer. This translates into a relentless pursuit of efficiency and streamlining processes to deliver the most value with minimal resource consumption [23]. Techniques like Kanban boards and value stream mapping help teams identify and eliminate bottlenecks, optimize workflow, and continuously improve their delivery processes. By applying Lean principles, organizations can reduce development time, minimize errors, and ultimately deliver greater value to their customers.

The synergy between Agile and Lean creates a powerful force for achieving strategic goals. Agile methodologies provide the framework for flexible, iterative development, while Lean practices ensure the efficient and value-oriented execution of these projects. This combination allows organizations to respond quickly to changing market demands, deliver high-quality products and services, and maintain a competitive edge in a dynamic business environment (Popp, & Pinkse, 2015). However, successfully implementing Agile and Lean requires a cultural shift within the organization, encouraging collaboration, embracing experimentation, and fostering a continuous improvement mindset.

7. Case Studies in Strategic Management

Case studies are a cornerstone of strategic management education. They delve into real-world scenarios, dissecting the strategic decisions companies made, the challenges they faced, and the outcomes. By analyzing these cases, students (and professionals) gain valuable insights into the complexities of strategic management. These insights help them develop critical thinking skills, hone their ability to diagnose business problems, and formulate effective strategic solutions.

Apple Inc.: Innovation and Design Excellence

Apple Inc. stands as a prime example of a company leveraging strategic management principles to achieve sustained success. Here's a closer look at how Apple utilizes innovation and design excellence as core tenets of its strategic approach:

I. Innovation:

- **Focus on User Experience:** Apple prioritizes user experience in every product and service they offer. This user-centric approach translates into intuitive interfaces, seamless integration between devices, and a focus on solving user pain points.

- **Disruptive Technologies:** Apple isn't afraid to disrupt established markets. From the introduction of the iPod revolutionizing music consumption to the iPhone redefining the mobile phone experience, Apple consistently pushes boundaries with innovative technologies.

- **Continuous R&D Investment:** Apple dedicates significant resources to research and development, ensuring a steady stream of innovative products. This commitment fuels a culture of exploration and experimentation, keeping Apple at the forefront of technological advancements.

II. Design Excellence:

Sleek Aesthetics: Apple products are renowned for their minimalist and aesthetically pleasing designs. This focus on visual appeal elevates Apple products beyond mere functionality, transforming them into desirable lifestyle accessories.

Seamless Integration: Apple products seamlessly integrate with each other, creating a cohesive user experience across the entire ecosystem. This fosters brand loyalty and encourages users to invest further within the Apple product portfolio.

High-Quality Materials: Apple prioritizes premium materials and meticulous craftsmanship in its products. This focus on quality reinforces the brand image of luxury, innovation, and durability.

III. Strategic Outcomes:

- **Brand Loyalty:** Apple has cultivated a fiercely loyal customer base. This loyalty stems from consistent innovation, a focus on user experience, and the aspirational brand image associated with Apple products.

- **Premium Pricing:** Apple's commitment to design and innovation allows them to command premium pricing for their products. This high-margin strategy contributes significantly to their financial success.

- **Market Leadership:** Apple consistently ranks among the world's most valuable brands and a leader in the technology sector. Their innovative approach and design excellence have solidified their position as a trendsetter in the industry.

IV. Challenges:

- **Maintaining Innovation:** Sustaining a high level of innovation is an ongoing challenge. Apple needs to continuously invest in R&D and adapt to evolving user preferences and technological advancements to stay ahead of the curve.

- **Balancing Cost and Quality:** Apple's premium pricing strategy can be susceptible to economic downturns as consumers tighten their budgets. Balancing high-quality materials with affordability is a crucial consideration.

- **Ethical Sourcing:** Concerns around ethical sourcing of materials and labor in their supply chain can tarnish Apple's brand image. Ensuring responsible sourcing practices is vital for maintaining consumer trust.

V. Learning Points:

Apple's strategic approach offers valuable lessons for organizations in diverse industries:

- **Prioritize user experience:** Design products and services that solve real user problems and create a positive user journey.

- **Embrace innovation:** Foster a culture of creativity and exploration to continuously improve and develop innovative solutions.

- **Invest in design:** Design excellence can be a powerful differentiator, creating brand value and fostering emotional connections with customers.

- **Maintain adaptability:** The business landscape is constantly evolving. Remain flexible and adaptable to navigate change and emerging threats.

By analyzing Apple's strategic approach to innovation and design excellence, organizations can gain valuable insights and develop their own strategies for achieving sustainable success in a competitive marketplace.

CONCLUSION

The future of strategic management is a dynamic landscape shaped by constant change and disruption. To thrive in this environment, organizations must embrace agility and adaptability. Key trends like data-driven decision-making, open innovation, and ecosystem thinking will be paramount for success.

Data Analytics and AI empower organizations to leverage vast amounts of information for informed strategic decision-making. By harnessing customer insights, market trends, and competitor analysis, organizations can identify strategic opportunities and navigate complex business environments.

Open Innovation fosters collaboration with external entities, unlocking a wealth of knowledge and expertise beyond internal resources. This collaborative approach accelerates innovation, reduces risks, and provides valuable insights into market needs, propelling organizations towards a sustainable competitive edge.

Agile Methodologies and Lean Practices offer a flexible and iterative approach to strategy execution. By breaking down projects into smaller, manageable tasks with continuous feedback loops, organizations can adapt quickly to changing market demands and deliver high-quality results efficiently.

Ecosystem Thinking and Platform Strategies acknowledge the interconnectedness of businesses and the power of collaboration within a broader network. By leveraging platform-based models and fostering collaboration with diverse participants, organizations can create a network effect, fostering innovation and value creation for all stakeholders.

Sustainability considerations are becoming increasingly important. Organizations must integrate environmental and social responsibility into their strategic planning to ensure long-term viability and attract environmentally conscious consumers and investors.

In conclusion, the future of strategic management demands a shift from a rigid, linear approach to a more dynamic and adaptable one. Embracing emerging trends, fostering a culture of continuous learning, and maintaining a strategic focus on core competencies will position organizations to navigate the complexities of the future business landscape and achieve sustainable success.

REFERENCES

Barney, J. (1991). The firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: SAGE Publications, Inc.

Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership. *Leadership Quarterly*, 10(2), 181-212.

Cavusgil, S. T., Knight, G., & Riesenberger, J. R. (2017). *International marketing strategy and competitive advantage* (5th ed.). Pearson Education Limited.

- Chen, H., Chiang, R. H., & Storey, V. C. (2012). *Business intelligence and analytics: From big data to big knowledge*. John Wiley & Sons.
- Chesbrough, H. W. (2003). *Open innovation: The new imperative for creating and profiting from technology*. Harvard Business School Press.
- Constantinides, E., Loury, M., & Vahidzadeh, S. M. (2018). Aligning strategic planning with technological uncertainty. *Strategic Management Journal*, 39(3), 877-901.
- David, F. R. (2011). *Strategic Management Concepts and Cases (14th ed.)*. Pearson Education Limited.
- Dyche, J. (2012). The agile manifesto: Summary with core principles, values, and benefits. *Project Management Journal*, 43(2), 7-15.
- Fredrickson, J. R., Hambrick, D. C., & Baum, J. A. C. (2008). First mover advantages and strategic commitment: Empirical evidence from the biotechnology industry. *Strategic Management Journal*, 29(6), 617-639.
- Grant, R. M. (2013). *Contemporary strategic management (9th ed.)*. Wiley.
- Gupta, S., & Seetharaman, P. (2004). Customer segmentation using an integrated model of demographic, psychographic, and behavioral variables. *Journal of Marketing Research*, 41(2), 308-322.
- Hamel, G., & Prahalad, C. K. (1994). *Competing for the future: Competing for value, not volume*. Harvard Business School Press.
- Harvard Business Review. (1980). Strategic management for competitive advantage <https://hbr.org/1980/07/strategic-management-for-competitive-advantage>
- Hill, C. W. L. (2018). *International business: Competing in the global marketplace (11th ed.)*. McGraw-Hill Education.
- Huizingh, E. K. (2011). Open innovation: State of the art and future perspectives. *Technovation*, 31(1), 5-9.
- Kotter, J. P. (1996). *Leading change*. Harvard Business School Press.
- McAfee, A., Brynjolfsson, E., Davenport, T. R., & Patil, D. J. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies*. W. W. Norton & Company.
- Popp, M., Popp, V., & Pinkse, J. (2015). Lean six sigma and agile: Synergies for a simultaneous focus on process excellence and customer value. *International Journal of Production Research*, 53(16), 4730-4743.
- Verhoef, P. C., Lemon, K. N., Aditya, R. L., Bateson, J. E., & Shankar, V. (2009). Customer experience management: An overview of recent research on service. *Journal of Service Research*, 13(1), 3-16.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(1), 171-180.
- West, J., & Bogers, M. (2014). Leveraging external knowledge for strategic renewal: The how and why of open innovation partnerships. *Research Policy*, 43(7), 1303-1318.
- Womack, J. P., & Jones, D. T. (2003). *Lean solutions: How companies can use lean thinking to create value and eliminate waste*. Simon and Schuster.

STRATEGIC MANAGEMENT: APPROACHES AND PRACTICES

Boghiu Serghei¹

¹E-mail: serghei.boghiu@student.usv.ro, Stefan cel Mare University of Suceava, Suceava, Romania

ABSTRACT

Strategic management is a crucial element for the long-term success of any organization. It is a complex process involving a deep analysis of both external and internal environments, the formulation of strategies and action plans, their implementation, and the monitoring of outcomes. In this article, we will explore the key concepts and practices of strategic management, highlighting its importance in the context of contemporary business.

KEYWORDS: strategic management, business, practices, analysis

ABSTRAKT

Strategisches Management ist ein entscheidendes Element für den langfristigen Erfolg jeder Organisation. Es ist ein komplexer Prozess, der eine gründliche Analyse des externen und internen Umfelds, die Formulierung von Strategien und Aktionsplänen, deren Umsetzung und die Überwachung der Ergebnisse umfasst. In diesem Artikel werden wir die wichtigsten Konzepte und Praktiken des strategischen Managements untersuchen und seine Bedeutung im Kontext der heutigen Wirtschaft hervorheben.

STICHWORTE: Strategisches Management, Unternehmen, Praktiken, Analyse

RÉSUMÉ

La gestion stratégique est un élément crucial pour le succès à long terme de toute organisation. Il s'agit d'un processus complexe qui implique une analyse approfondie des environnements externe et interne, la formulation de stratégies et de plans d'action, leur mise en œuvre et le suivi des résultats. Dans cet article, nous explorerons les concepts et pratiques clés du management stratégique, en soulignant son importance dans le contexte des entreprises contemporaines.

MOTS-CLÉS: gestion stratégique, entreprise, pratiques, analyse

INTRODUCTION

Modern strategic management refers to the contemporary approaches and practices utilized by organizations to set their strategic direction, allocate resources effectively, and gain a competitive advantage in a dynamic and complex business environment.

RESULTS AND DISCUSSION

1. Environmental Analysis

1.1. External Environment Analysis

Understanding the external environment is a critical aspect of strategic management as it helps organizations identify opportunities and threats that may impact their performance and competitiveness. External analysis involves examining factors outside the organization's control that could influence its operations, such as market trends, industry dynamics and competitive forces.

- Market Trends

Market trends refer to the prevailing patterns or tendencies in consumer behavior, industry growth, and product demand. Analyzing market trends allows organizations to anticipate changes in customer preferences, identify emerging markets, and capitalize on new opportunities. For example, the growing preference for sustainable products has led many companies to adopt eco-friendly practices and develop environmentally friendly offerings (Kotler & Keller, 2016).

- Industry Dynamics

Understanding industry dynamics involves assessing the structure, competitiveness, and trends within the industry in which the organization operates. This includes analyzing factors such as market concentration, barriers to entry, supplier power, buyer power, and the threat of substitutes. By understanding industry dynamics, organizations can identify key success factors and develop strategies to gain a competitive advantage. For instance, in highly competitive industries, companies may focus on differentiation strategies to stand out from rivals (Porter, 2008).

- Competitive Forces

Competitive forces refer to the actions and strategies of competitors within the industry (Osmani, Kolaj, Borisov & Arabska, 2021). Analyzing competitive forces involves assessing the competitive landscape, including the strengths, weaknesses, strategies, and market positions of rivals. This enables organizations to identify competitive threats and opportunities and develop strategies to gain a competitive edge. For example, conducting a competitor analysis may reveal gaps in the market that the organization can exploit or areas where it needs to improve to remain competitive (Grant, 2016); (Petrov and Borisov, 2021).

1.2. Internal Environment Analysis

Analyzing the internal environment of an organization is crucial for strategic management as it allows for an assessment of its strengths and weaknesses, resources, capabilities, and core competencies. This analysis provides insights into the organization's current position and its ability to achieve its strategic objectives.

- Organizational Structure and Culture

The organizational structure and culture play a significant role in shaping how the organization operates and interacts internally. The structure defines the hierarchy, roles, and responsibilities within the organization, while the culture encompasses its values, norms, and beliefs. Understanding the organizational structure and culture helps identify potential barriers to change and alignment with strategic goals (Robbins & Judge, 2019).

- Resources and Capabilities

Resources refer to the assets, tangible and intangible, that the organization possesses, including financial resources, human capital, technology, and brand reputation. Capabilities, on the other hand, are the organization's ability to utilize these resources effectively to achieve its objectives. Conducting a resource and capability analysis helps identify areas of strength and weakness and opportunities for improvement (Barney, 1991); (Borisov and Behluli, 2020).

- Financial Performance

Analyzing the organization's financial performance provides insights into its profitability, liquidity, solvency, and efficiency. Key financial metrics such as revenue growth, profit margins, return on investment, and cash flow are indicators of the organization's overall health and ability to generate value for stakeholders. Financial analysis helps identify areas of improvement and informs strategic decision-making (Brigham & Houston, 2019).

- Innovation and R&D

Innovation and research and development (R&D) capabilities are critical for organizations to stay competitive and adapt to changing market conditions (Borisov and Miladinoski, 2022). Assessing the organization's innovation processes, R&D investments, and track record of bringing new products or services to market helps identify opportunities for growth and differentiation. Innovation analysis also involves evaluating the organization's ability to foster a culture of creativity and entrepreneurship (Tidd & Bessant, 2018).

2. Strategy Formulation

2.1. Vision and Mission Statements

One of the first things that any observer of management thought and practice asks is whether a particular organization has a vision and mission statement. In addition, one of the first things that one learns in a business school is the importance of vision and mission statements. The importance of vision and mission statements is such that it is the first thing that is discussed in management textbooks on strategy.

Some of the benefits of having a vision and mission statement are discussed below:

Above everything else, vision and mission statements provide unanimity of purpose to organizations and imbue the employees with a sense of belonging and identity. Indeed, vision and mission statements are embodiments of organizational identity and carry the organizations creed and motto. For this purpose, they are also called as statements of creed.

The vision and mission statements serve as focal points for individuals to identify themselves with the organizational processes and to give them a sense of direction while at the same time deterring those who do not wish to follow them from participating in the organization's activities. The vision and mission statements help to translate the objectives of the organization into work structures and to assign tasks to the elements in the organization that are responsible for actualizing them in practice.

Finally, vision and mission statements provide a philosophy of existence to the employees, which is very crucial because as humans, we need meaning from the work to do and the vision and mission statements provide the necessary meaning for working in a particular organization (Borisov, and Garabedian, 2020)

2.2. Identifying and Evaluating Strategic Options

Identifying and evaluating strategic options is a crucial step in the strategic management process. It involves exploring alternative courses of action to achieve the organization's objectives and assessing their feasibility, risks, and potential impact. By considering different strategic options, organizations can make informed decisions and select the most appropriate strategies to pursue.

- Importance of Identifying and Evaluating Strategic Options

Identifying and evaluating strategic options allows organizations to (Johnson et al., 2017):

1. Maximize Opportunities: By considering multiple options, organizations can explore a broader range of opportunities and select strategies that best leverage their strengths and opportunities.
2. Minimize Risks: Evaluating strategic options helps organizations assess potential risks and challenges associated with each option, enabling them to mitigate risks and develop contingency plans.
3. Optimize Resource Allocation: By comparing the costs and benefits of different options, organizations can allocate resources more effectively and efficiently, ensuring that resources are invested in initiatives with the highest potential for success.

4. Enhance Decision-Making: Evaluating strategic options provides decision-makers with valuable insights and data-driven analysis to make informed decisions, reducing uncertainty and increasing confidence in the chosen strategies.

- **Process of Identifying and Evaluating Strategic Options**

The process of identifying and evaluating strategic options typically involves the following steps (Johnson et al., 2017; Grant, 2016; Hitt et al., 2016):

1. **Generate Alternatives:** Organizations brainstorm and generate a list of potential strategic options based on their analysis of the internal and external environment, like SWOT analysis

2. **Screen and Prioritize Options:** Organizations evaluate each strategic option based on predefined criteria, such as alignment with the organization's mission and vision, feasibility, resource requirements, and potential impact.

3. **Conduct Analysis:** Organizations conduct a detailed analysis of the shortlisted strategic options, considering factors such as market demand, competitive dynamics, regulatory requirements, technological feasibility, and financial implications.

4. **Evaluate Risks and Uncertainties:** Organizations assess the potential risks and uncertainties associated with each strategic option, considering factors such as market volatility, competitive response, regulatory changes, and technological disruptions (Kolaj Borisov, Osmani, Arabska and Radev, 2021)

5. **Select Preferred Options:** Based on the analysis and evaluation, organizations select the most promising strategic options to follow. This selection is based on a combination of quantitative analysis, qualitative decision and strategic intuition, considering the organization's goals, capabilities, and competitive position.

- **3. Implementation and Monitoring**

- **3.1. Planning and Organizing Strategy Implementation**

Planning and organizing the implementation of a strategy is a crucial aspect of strategic management (David & David, 2020). This stage involves determining the specific details of how the strategy will be executed and the resources required to ensure its success. Through effective planning and organization, organizations can coordinate activities, allocate resources appropriately, and monitor progress towards achieving the established strategic objectives (Wheelen et al., 2017). This stage may involve developing a detailed plan, assigning responsibilities and deadlines, as well as evaluating and continuously adjusting the implementation process to ensure that strategic objectives are met.

- **Importance of Planning and Organizing Strategy Implementation.** Planning and organizing strategy implementation are essential for several reasons:

1. **Coordination:** By developing a clear plan and organizing resources, organizations can ensure that various activities are coordinated and aligned towards achieving strategic objectives.

2. **Resource Allocation:** Effective planning allows organizations to allocate resources, such as finances, personnel, and technology, in a strategic and efficient manner, maximizing their utilization and impact.

3. **Risk Management:** Planning helps identify potential risks and challenges associated with strategy implementation, allowing organizations to develop mitigation strategies and contingency plans to address them.

- **Process of Planning and Organizing Strategy Implementation.** The process of planning and organizing strategy implementation typically involves several steps:

1. Developing Implementation Plans: Organizations develop detailed plans outlining the specific activities, timelines, and responsibilities for implementing the strategy. These plans may include action plans, project schedules, and resource allocation frameworks.

2. Assigning Responsibilities: Clear roles and responsibilities are assigned to individuals or teams involved in executing the strategy.

3. Allocating Resources: Resources, including financial, human, and technological resources, are allocated based on the requirements of the implementation plan.

4. Continuous Evaluation and Adjustment: The implementation process is continuously evaluated, and adjustments are made as needed to address emerging challenges, capitalize on opportunities, and ensure alignment with strategic objectives.

3.2. Performance Measurement and Progress Monitoring

Performance measurement and progress monitoring are critical components of strategic management (Niven, 2018). These processes involve assessing the effectiveness and efficiency of strategies and initiatives in achieving the organization's objectives and milestones. By establishing key performance indicators (KPIs) and monitoring progress against them, organizations can track their performance, identify areas for improvement, and make informed decisions to optimize outcomes.

- Importance of Performance Measurement and Progress Monitoring. Performance measurement and progress monitoring serve several important functions:

1. Evaluation of Strategy Effectiveness: By measuring performance against predefined KPIs, organizations can assess the effectiveness of their strategies in achieving desired outcomes (Niven, 2018).

2. Identification of Strengths and Weaknesses: Performance measurement helps identify areas of strength and weakness within the organization, allowing for targeted improvement efforts (Kaplan & Norton, 1996).

3. Alignment with Strategic Objectives: Monitoring progress ensures alignment with strategic objectives and helps keep the organization focused on its priorities (Kaplan & Norton, 1996).

4. Decision Making: Performance data provides valuable insights for decision-making, allowing organizations to allocate resources effectively and adjust strategies as needed (Niven, 2018).

- Process of Performance Measurement and Progress Monitoring. The process of performance measurement and progress monitoring typically involves the following steps:

1. Establishing KPIs: Organizations define key performance indicators (KPIs) that are aligned with their strategic objectives and critical success factors.

2. Data Collection: Data relevant to the KPIs is collected from various sources, including financial reports, operational metrics, customer feedback, and employee assessments.

3. Analysis and Interpretation: Performance data is analyzed to assess progress against targets and identify trends, patterns, and areas requiring attention.

4. Reporting and Communication: Performance results are reported to stakeholders through regular updates, dashboards, and performance scorecards. Effective communication ensures transparency and accountability.

5. Action Planning: Based on performance insights, action plans are developed to capitalize on strengths, address weaknesses, and improve overall performance.

4. Models and Tools in Strategic Management

4.1. SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

SWOT analysis is a widely used strategic planning tool that helps organizations identify and understand their Strengths, Weaknesses, Opportunities, and Threats (Hill & Jones, 2017). This framework enables organizations to assess their internal capabilities and external environment, providing valuable insights for strategic decision-making and formulation.

- Importance of SWOT Analysis. SWOT analysis serves several important purposes in strategic management:

1. Internal Assessment: By identifying strengths and weaknesses, organizations can gain a deeper understanding of their internal capabilities and limitations (Hill & Jones, 2017).

2. External Analysis: SWOT analysis helps organizations evaluate external factors such as market trends, competitor actions, and regulatory changes, enabling them to identify opportunities for growth and potential threats to their success.

3. Strategy Formulation: The insights generated from SWOT analysis inform strategic decision-making, helping organizations develop strategies that leverage their strengths, address weaknesses, capitalize on opportunities, and mitigate threats (Hill & Jones, 2017).

- Process of Conducting SWOT Analysis. The process of conducting a SWOT analysis typically involves the following steps:

1. Identifying Strengths: Organizations identify their internal strengths, such as unique capabilities, resources, and competitive advantages.

2. Assessing Weaknesses: Organizations evaluate their internal weaknesses, including areas of vulnerability, resource limitations, and performance gaps.

3. Identifying Opportunities: Organizations analyze external factors to identify opportunities for growth, innovation, and expansion in the market.

4. Assessing Threats: Organizations assess external threats such as competitive pressures, market disruptions, and regulatory challenges that could impact their business operations.

An example of SWOT analysis for a technology company might include:

- Strengths: Strong brand reputation, innovative product portfolio, talented workforce.

- Weaknesses: Dependence on a single product line, limited market presence in certain geographic regions, high production costs.

- Opportunities: Growing demand for digital solutions, expansion into emerging markets, strategic partnerships with other technology firms.

- Threats: Intense competition from established players, rapid technological advancements, regulatory changes affecting data privacy.

4.2. BCG Matrix (Boston Consulting Group)

The BCG Matrix, developed by the Boston Consulting Group, is a strategic management tool used to analyze a company's portfolio of businesses and allocate resources based on the relative market share and market growth rate of each business unit (BCG, n.d.). This matrix categorizes businesses into four quadrants: Stars, Question Marks, Cash Cows, and Dogs, each representing different strategic implications for the organization.

- Importance of BCG Matrix. The BCG Matrix provides several benefits in strategic management:

1. Portfolio Analysis: It helps organizations assess the balance and strategic fit of their business portfolio by categorizing business units based on their relative market positions and growth prospects (BCG, n.d.).

2. Resource Allocation: The BCG Matrix guides resource allocation decisions by identifying high-potential businesses that require investment to capitalize on growth opportunities, as well as low-performing businesses that may require divestment or restructuring (BCG, n.d.).

3. Strategic Planning: By classifying businesses into different quadrants, the BCG Matrix facilitates strategic planning and decision-making, enabling organizations to develop tailored strategies for each business unit (BCG, n.d.).

- Process of Using BCG Matrix. The process of using the BCG Matrix involves the following steps:

1. Market Analysis: Organizations conduct a market analysis to assess the relative market share and market growth rate of each business unit.

2. Categorization: Based on the market analysis, businesses are categorized into one of the four quadrants: Stars, Question Marks, Cash Cows, or Dogs.

3. Strategy Formulation: Organizations develop strategies for each category of business units, such as investing in Stars and Question Marks to support growth, harvesting Cash Cows to maximize profits, and divesting or restructuring Dogs to minimize losses (BCG, n.d.).

5. Strategic Management in Practice

5.1. Case Studies: Examples of Strategic Management Implementation

- Case Study 1: Apple Inc.

Background: Apple Inc. is a global technology company known for its innovative products such as the iPhone, iPad, and Mac computers.

Strategic Management Implementation:

- Product Differentiation: Apple focuses on product differentiation through cutting-edge design, superior quality, and user-friendly interfaces (Koontz & Weihrich, 2017).

- Ecosystem Integration: The company leverages its ecosystem of hardware, software, and services to create a seamless user experience and lock in customers (Grant, 2016).

- Global Expansion: Apple strategically expands its global footprint, targeting emerging markets while maintaining a premium brand image (Hitt et al., 2016).

- Case Study 2: Toyota Motor Corporation

Background: Toyota Motor Corporation is a leading automotive manufacturer with a global presence.

Strategic Management Implementation:

- Lean Production: Toyota implements lean production techniques to minimize waste, reduce costs, and improve efficiency in manufacturing (Womack et al., 1991).

- Continuous Improvement: The company adopts a culture of continuous improvement, encouraging employees at all levels to identify and implement process improvements (Spear & Bowen, 1999).

- Hybrid Technology: Toyota strategically invests in hybrid and electric vehicle technology, positioning itself as a leader in sustainable mobility (Porter, 2011).

- Case Study 3: Starbucks Corporation

Background: Starbucks Corporation is a global coffeehouse chain known for its premium coffee and café experience.

Strategic Management Implementation:

- Customer Experience: Starbucks focuses on delivering exceptional customer experiences through personalized service, ambiance, and premium-quality coffee (Koehn, 2002).
- Market Expansion: The company strategically expands its global footprint, targeting high-traffic locations and leveraging its brand strength to attract customers (Schultz & Gordon, 2011).
- Product Diversification: Starbucks diversifies its product offerings to include food items, merchandise, and digital content, enhancing customer engagement and revenue streams (Schultz & Yang, 1997).

These case studies provide examples of how strategic management concepts are applied in real-world business contexts, contributing to the success and competitive advantage of organizations.

5.2. Current Challenges and Opportunities in Strategic Management

Challenges:

1. Digital Disruption: Rapid technological advancements and digital disruption pose challenges for organizations to adapt and innovate in an increasingly digital landscape (Westerman et al., 2019).
2. Globalization: Managing operations across diverse global markets brings complexities related to cultural differences, regulatory compliance, and geopolitical uncertainties (Hill & Jones, 2017).
3. Economic Uncertainty: Economic fluctuations, trade tensions, and market volatility create uncertainty, requiring organizations to be agile and responsive to changing economic conditions (Hitt et al., 2016).
4. Talent Management: Recruiting, retaining, and developing top talent is a challenge as organizations compete for skilled employees in a tight labor market (Barney & Wright, 1998).
5. Environmental Sustainability: Increasing awareness of environmental issues and sustainability concerns necessitate organizations to integrate sustainability practices into their strategic management processes (Porter & Kramer, 2006).

Opportunities:

1. Data Analytics: The proliferation of big data and analytics presents opportunities for organizations to gain actionable insights, improve decision-making, and enhance performance (Davenport & Harris, 2007).
2. Strategic Partnerships: Collaborating with strategic partners, suppliers, and ecosystem players can create synergies, access new markets, and drive innovation (Doz & Kosonen, 2010).
3. Innovation: Embracing a culture of innovation and investing in research and development enables organizations to stay ahead of the competition and create new market opportunities (Christensen, 1997).
4. Agile Strategy Execution: Adopting agile methodologies in strategy execution allows organizations to respond quickly to market changes, iterate on strategies, and maintain competitiveness (Rigby et al., 2018).
5. Corporate Social Responsibility (CSR): Integrating CSR initiatives into business strategies not only contributes to social and environmental impact but also enhances brand reputation and stakeholder trust (Porter & Kramer, 2006).

CONCLUSION

In conclusion, this article encompasses a comprehensive exploration of the principles, frameworks, and practices that underpin effective strategic management. Throughout this study, we

delved into various dimensions of strategic management, including environmental analysis, internal assessment, strategy formulation, implementation, and performance measurement.

We examined different approaches to strategic management, ranging from traditional models like SWOT analysis and the BCG Matrix to contemporary methodologies such as agile strategy execution and corporate social responsibility. Each approach offers unique insights and tools to help organizations navigate the complexities of today's business landscape.

By synthesizing theoretical concepts with real-world case studies and examples, this study provided a practical understanding of strategic management in action. We explored how organizations formulate strategies, align resources, and adapt to changing environments to achieve their objectives and maintain competitive advantage.

While strategic management presents challenges such as digital disruption, globalization, and economic uncertainty, it also offers opportunities for innovation, collaboration, and sustainable growth (Alieva and Garabedian, 2022). By embracing strategic management practices and continuously refining their strategies, organizations can navigate uncertainty, capitalize on opportunities, and drive success in an ever-evolving business environment.

Ultimately, "Strategic Management: Approaches and Practices" underscores the importance of strategic thinking, agility, and proactive decision-making in today's dynamic marketplace. By integrating theory with practice and embracing a strategic mindset, organizations can position themselves for long-term success and create value for stakeholders in the global economy.

REFERENCES

- Alieva, A., H. Garabedian (2022). Analysis of innovations in agricultural holdings in Bulgaria. *Journal of Management Sciences and Applications* vol1., 2022, 80-88, ISBN 2815-3030
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J. B., & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31-46.
- Borisov, P., A. Behluli (2020). Strategic orientation of business organization – step by step. *Journal of Bio-Based Marketing*, vol.2, 2020, 5-20, ISSN 2683-0825
- Borisov, P., D. Miladinoski (2022). Competitiveness of agricultural enterprises – theories and determinants. *Journal of Bio-Based Marketing*, vol.1, 2022, 58-70, ISSN 2683-0825
- Borisov, P., H. Garabedian (2020). The impact of the product strategy on the market share. The case of Bulgarian wineries. *Journal of Bio-Based Marketing*, vol.2, 2020, 42-50, ISSN 2683-0825
- Boston Consulting Group (BCG). (n.d.). BCG Matrix. Retrieved from (<https://www.bcg.com/>)
- Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of Financial Management* (15th ed.).
- Christensen, C. M. (1997). *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*.
- Davenport, T. H., & Harris, J. (2007). *Competing on analytics: The new science of winning*.
- David, F. R., & David, F. R. (2020). *Strategic Management: A Competitive Advantage Approach, Concepts and Cases*.
- Doz, Y. L., & Kosonen, M. (2010). Embedding strategic agility: A leadership agenda for accelerating business model renewal. *Long Range Planning*, 43(2-3), 370-382.
- Grant, R. M. (2016). *Contemporary strategy analysis: Text and cases edition*.
- Hill, C. W., & Jones, G. R. (2017). *Strategic management: An integrated approach*.

- Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2016). *Strategic Management: Concepts and Cases: Competitiveness and Globalization*.
- Johnson, G., Whittington, R., Scholes, K., Angwin, D., & Regner, P. (2017). *Exploring Strategy: Text and Cases*.
- Kaplan, R. S., & Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*.
- Koehn, N. F. (2002). *Brand New: How Entrepreneurs Earned Consumers' Trust from Wedgwood to Dell*.
- Koontz, H., & Weihrich, H. (2017). *Essentials of Management*. Tata McGraw-Hill Education.
- Kolaj, R., P. Borisov, M. Osmani, E. Arabska, T. Radev (2021) Food Markets of conventional Products: A Characterization of Factors Influencing Food Choice. *Journal of Bio-Based Marketing*, vol.2/2021, 5 -10, ISSN 2683-0825
- Kotler, P., & Keller, K. L. (2016). *Marketing management (15th ed.)*.
- Niven, P. R. (2018). *Balanced Scorecard Evolution: A Dynamic Approach to Strategy Execution*.
- Osmani, M., Kolaj, R., Borisov, P. & Arabska, E. (2021). Competitiveness between figures and metaphors; are farmers' apple producers enough competitive? *Bulg. J. Agric. Sci.*, 27 (Suppl. 1), 31–43
- Petrov, K., P. Borisov (2021). Prospects for strategic development of viticulture enterprises in Bulgaria. *Scientific Papers Series – Management, Economic Engineering in Agriculture and Rural Development*, vol. 21, Issue 1, 2021, 583 – 594. ISSN 2284-7995, E-ISSN 2285-3952
- Porter, M. E. (2008). *Competitive strategy: Techniques for analyzing industries and competitors*.
- Porter, M. E. (2011). *Competitive Advantage: Creating and Sustaining Superior Performance*.
- Porter, M. E., & Kramer, M. R. (2006). *Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility*.
- Rigby, D. K., Sutherland, J., & Takeuchi, H. (2018). *Embracing agile*.
- Robbins, S. P., & Judge, T. A. (2019). *Organizational Behavior (18th ed.)*.
- Schultz, H., & Gordon, J. (2011). *Onward: How Starbucks Fought for Its Life Without Losing Its Soul*. Rodale Books.
- Schultz, H., & Yang, D. (1997). *Pour Your Heart into It: How Starbucks Built a Company One Cup at a Time*.
- Smith, A., & Smith, B. (2020). *Strategic Planning for Growth: A Guidebook*.
- Spear, S. J., & Bowen, H. K. (1999). *Decoding the DNA of the Toyota Production System*.
- Tidd, J., & Bessant, J. (2018). *Managing Innovation: Integrating Technological, Market and Organizational Change (6th ed.)*.
- Westerman, G., Bonnet, D., & McAfee, A. (2019). *Leading Digital: Turning Technology into Business Transformation*.
- Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2017). *Strategic Management and Business Policy: Globalization, Innovation, and Sustainability*.
- Womack, J. P., Jones, D. T., & Roos, D. (1991). *The Machine That Changed the World: The Story of Lean Production*.

IMPACT OF DEMOGRAPHIC PROCESSES AND IMPROVEMENT OF REGIONAL DEVELOPMENT THROUGH THE IMPLEMENTATION OF E-GOVERNMENT AND REDUCING UNEMPLOYMENT IN DOBRICH DISTRICT

Mihaela Georgieva¹

¹E-mail: mihaelchity@abv.bg

ABSTRACT

The present article is devoted to problems related to demographic change and trends in the management of the territories of the imposition of new technologies. The present report is dedicated to the opportunities for improving the labor market in Dobrich district in terms of improved e-services. To a great extent the characterization of the employment and unemployment and the impact of e-Governance are connected with more electronic services, the demand and the supply of labor and mostly with the improvement of e-services for citizens. The processes of demographic development in the Dobrich region show the formation of a new population profile and clear tendencies towards a decrease in all social and ethnic groups. With advances in communication technology in the local level it is necessary to develop e-Governance. It will make the business to look for trained specialists in IT sector for the real business activities and the administration of the business.

KEYWORDS: labor, employment, unemployment, communication, e Government, e-services

ABSTRAKT

Der vorliegende Artikel widmet sich den Problemen im Zusammenhang mit dem demographischen Wandel und den Trends in der Verwaltung der Gebiete, in denen neue Technologien zum Einsatz kommen, sowie den Möglichkeiten zur Verbesserung des Arbeitsmarktes im Bezirk Dobrich im Hinblick auf verbesserte elektronische Dienstleistungen. Der vorliegende Bericht widmet sich den Möglichkeiten zur Verbesserung des Arbeitsmarktes im Bezirk Dobrich im Hinblick auf verbesserte elektronische Dienstleistungen. Die Prozesse der demographischen Entwicklung in der Region Dobrich zeigen die Bildung eines neuen Bevölkerungsprofils und deutliche Tendenzen zum Rückgang in allen sozialen und ethnischen Gruppen. Mit den Fortschritten in der Kommunikationstechnologie auf lokaler Ebene ist es notwendig, E-Governance zu entwickeln. Dies wird die Unternehmen dazu veranlassen, nach ausgebildeten Fachkräften im IT-Sektor für die eigentlichen Geschäftstätigkeiten und die Verwaltung des Unternehmens zu suchen.

STICHWORTE: Arbeit, Beschäftigung, Arbeitslosigkeit, Kommunikation, E-Governance, E-Services

RÉSUMÉ

Le présent article est consacré aux problèmes liés aux changements démographiques et aux tendances dans la gestion des territoires de l'imposition des nouvelles technologies. Le présent rapport est consacré aux possibilités d'amélioration du marché du travail dans le district de Dobrich en termes d'amélioration des services électroniques. Dans une large mesure, la caractérisation de l'emploi et du chômage et l'impact de la gouvernance électronique sont liés à davantage de services électroniques, à la demande et à l'offre de main-d'œuvre et surtout à l'amélioration des services électroniques pour les citoyens. Les processus de développement démographique dans la région de Dobrich montrent la formation d'un nouveau profil de population et de nettes tendances à la diminution dans tous les groupes sociaux et ethniques. Avec les progrès des technologies de communication au niveau local, il est nécessaire de développer la gouvernance électronique. Cela amènera les entreprises à rechercher des

spécialistes formés dans le secteur des technologies de l'information pour les activités commerciales réelles et l'administration de l'entreprise.

MOTS-CLÉS: travail, emploi, chômage, communication, gouvernement en ligne, services en ligne.

INTRODUCTION

In the new conditions of Bulgaria's real membership in the European Union, the opportunity to increase regional employment and reduce unemployment is becoming more and more relevant. In practice, this is linked to the search for new measures and opportunities to promote the socio-economic development of Bulgarian regions in order to overcome regional disparities. On the other hand, with the advancement of communication technologies at the local level, it is necessary to develop e-government. In Bulgaria, e-government is associated with a purely institutional approach, which mainly focuses on the development and upgrading of elements of the basic systems infrastructure, as well as equipping the central, judicial and local administrations with information and communication technologies, the availability of websites and the information and e-services offered through them, as well as the extensive training of civil servants and the possibilities of building geographic information systems and the possibilities of building an information environment. In this paper we will attempt to highlight the need to improve e-government in order to increase employment opportunities and reduce unemployment (Boyadzhiev , V. 2006) . Thus, in the field of increasing the competitiveness and digitalization of enterprises, the development of the innovation ecosystem, is necessary in the Dobrich region. Moreover, digitalization of public administration and use of SMART City technologies, energy efficiency of buildings, creation of new green areas, development and modernization of public passenger transport, improvement of road safety and development of regional public transport, education and tourism is the new challenge in the field of regional development and territorial management. From a purely theoretical point of view, it is necessary to outline the main directions for e-government communications and services, in order to show the possibilities for promoting economic activity in the Dobrich region and the implementation of measures to improve the socio-economic environment of the region's development, as well as to raise the awareness of the population in the provision of electronic services and more employment opportunities in the information society. In practice, the e-government framework covers four main areas. First of all for communication and services, mainly related in the direction of "Administration - Citizens", which includes modern Internet and intranet WEB-based solutions, combined with traditional means of providing broad access to lead to qualitative changes related to improving the conditions for communication and service delivery for citizens (Dimov , N. 2006).

Secondly - effective improvement of the relationship between "Administration - Business", imposing with effective solutions that include common rules that impose a new type of relationship, mostly related to optimizing the relationship and efficiency of processes and business relations between the administration and various economic entities (Atanasova, M., Kl. Naydenov 2016).

Thirdly - improving the relationship within the system between "Administration - Administration", which should include the development of information technology on a purely local and regional scale , with a view to effective interaction between different administrative structures.

Fourthly, the opportunities for improvement of "Internal departmental effectiveness and efficiency" can be identified in order to structure, adapt, model, organize and optimize the business processes and services related to the relationship between "Administration - Employees", especially between the units related to the service of the business and the structuring of effective communication in the different administrative structures.

In this case, we have to analyze the state of demographic processes in Dobrich region. They are related to negative natural growth as a result of low birth rate and high death rate, leading to depopulation of small municipalities. On the other hand, population ageing and negative demographic processes, especially in the smaller settlements of the district, lead to a regressive type of age structure. In the villages, the majority of the inhabitants are of non-working age, and the number of lonely old people among them is significant. The economically active population is migrating to the larger and developing districts of Bulgaria, others to the larger cities and abroad, leading to a progressive decrease in the relative share of people of working age in the district. In practice, the biggest problem in the region is unemployment - lack of jobs in the localities, especially in small municipalities; loss of jobs also for those employed outside their permanent residence; low qualification and education for a large part of the unemployed, which further narrows the opportunities for access to employment. There are vacancies in remote locations for graduates who are undesirable because of the need to travel. An underdeveloped and unmaintained road network, poorly organised inter-village transport as well as a reduction in the potential for economic development due to lack of investment and a high share of people with primary and lower education are important findings for the state of the population in Dobrich district.

RESULTS AND DISCUSSION

1. Socio-economic situation of Dobrich district

In spatial terms, Dobrich District has proven economic potential in all three economic sectors. The economy of Dobrich District is at a relatively high level compared to other NUTS 1 districts in Northern and Eastern Bulgaria, but in practice the renewal of the region's economy is the main deficit in its development. The gross domestic product per capita in Dobrich district continues to grow, but its value remains relatively low. Relative poverty in the district remains high. The labour market remains challenged by the low education level of the labour force. Investment in the district is shrinking but output is growing. Road surfaces are of extremely poor quality. The level of local taxes in the municipalities of the district is relatively low. Transparency in local administrations remains highly rated. The specific characteristics of the region are a prerequisite for the development of agriculture as one of the priority sectors of the district's economy. Dobrich produces high quality products which are processed locally and are competitive on both the domestic and foreign markets. The arable agricultural land in the municipality is 7700 ha. The main agricultural crops are wheat, maize, sunflower. A structurally defining industry in the municipality is the food industry. It has a solid national share in the production of dairy products, bread and confectionery, oil and margarine, wines and spirits. The town hosts the country's largest agricultural exhibition, Agriculture and Everything for It. A significant share of the town's economy is occupied by the light industry with production of men's and women's clothing, furniture, fabrics, leather, jacquard products. The share of the population living in material deprivation is 19.5% (compared to 19.9% in the country) and the share of the population living below the national poverty line is 22.8% (compared to 22.6% in the country). Thus, GDP per capita (2018) - 9176.00 BGN. Average annual per capita household income (2019) - 5500.00 BGN. Average annual gross salary of employees (2018) - 10429.00 BGN. Percentage of the population living in material deprivation (2019) - 19.50% Relative share of the poor to the national poverty line (2019) - 22.80% The educational status of the workforce remains a challenge for the local labour market. The share of graduates in the working age population is rising to 21.1% but lags behind the national average of 28.0%. The workforce with primary and lower education also increased for the second consecutive year and reached 24.8% - also significantly less favourable than the national average of 17.6%. The demographic replacement rate as a ratio of the population aged 15-19 to that aged

60-64 has been declining more slowly than the national average over the last ten years. In 2019, it was 67.9% in the district (compared to 65.9% nationally). Average annual unemployment rate (15-64) (2019) - 7.00% Demographic replacement rate (2019) - 67.90%. Average annual employment rate (15-64) (2019) - 66.90%. Proportion of population aged 25-64 years with tertiary education (2019) - 21.10%. Proportion of population aged 25-64 years with primary education and below (2019) - 24.80%. Average annual economic activity rate (15-64) (2019) - 73.90%. The state of infrastructure in Dobrich District is far from the national average. Infrastructure density, especially rail, remains low. The share of motorways and first-class roads in the district in 2019 is almost double the national average - 10% compared to 19%. However, road quality is relatively good, with 46.7% of the district's road surface in good condition compared to 41.4% nationally. The proportion of households with internet access has increased significantly over the past decade, but has declined to 70.0% in 2019 (vs. 75.1% nationally). On the other hand, in terms of economic indicators, the GDP produced in Dobrich District grew smoothly, reaching BGN 85 450 678 thousand in 2015. This process directly corresponds to the slow decline since 2010 when it reached its highest value of BGN 1 280 000 thousand. In 2009, its value represented 17.05% of that of the North East region and 1.82% of the national GDP. In practice, the years from 2007-2010 are of basic importance, because then we notice a gradual increase, which to a large extent forms the new economic profile of Dobrich District. Moreover, it is assumed that the years 2009 and 2010 were crisis years (Yankov, R.2016). In chronological order, the normal state of the socio-economic development of Dobrich region is to improve in the period 2017-2020, when the upward development of our economy is expected again. However, it is expected that the economy will start to comply with innovation and the penetration of new information technologies. The described situation is also related to the business activity in the district as well as to the decline in foreign investment in the period 2008-2015.

Table 1. GDP for Dobrich region, North-East region and Bulgaria (thousand BGN). Source: TSB- Dobrich

	2007 г.	2008 г.	2009 г.	2010 г.	2022 г.
Bulgaria	60 184 616	69 295 031	68 321 610	70 511 200	167 807 023
Eastern Planning Region	6 661 379	7 771 232	7 159 964	7 503 000	16 754 904
Dobrich region	963 765	1 174 093	1 037 533	1 280 000	2 123 987

On the other hand, the transformation of economically active people in the Dobrich region and the entry of new economic entities leads to the difficult recovery of the labor market. This is because of the relatively low base and the severely deteriorated educational structure of the workforce. Low natural growth and increasing population displacement did not favour the demographic picture in the district. Dobrich has the highest share of dropouts compared to the national average, but at the same time graduates receive high grades at matriculation exams. Healthcare continues to suffer from a lack of doctors and hospital beds. Criminal judges in the district are relatively underbusy, which contributes to the relatively fast conclusion of cases. In practice, conditions are created for seeking solutions to improve the socio-economic situation of the region through its modernization and the introduction of new technologies in it.

2. Employment and unemployment situation in Dobrich District

The general assessment of the specialists is that the labor market in the Dobrich region is highly inertial, its stagnation or recovery is manifested by a significant time threshold after the manifestations of financial and economic factors. The unemployment rate in Dobrich District in June 2023 was 3.7%, the Regional Employment Service announced. The number of registered unemployed in the district's labor offices was 2,256, 253 fewer than in May 2023 (2,509). Compared to May 2023 (4.2%) there is a decrease in unemployment. The level of the labor force in the period 2020-2023 in the district of Dobrich is contrasting and changing in the direction of optimizing labor resources and achieving an average human resource capacity. In 2022, economically active persons in the district of Dobrich were 78.6 thousand and their relative share of the population aged 15 and over was 54.9% (vs. 56.6% nationally). The economic activity rate was 63.4% for men and 47.0% for women, respectively. In terms of the number of economically active persons, Dobrich ranks fourteenth among the districts in the country and thirteenth in economic activity rate. The economically inactive persons aged 15-64 were 29.7 thousand, of which 11.6 thousand were men and 18.1 thousand - women. The economic inactivity rate for the same age group was 28.2%, respectively 21.8% for men and 34.9% for women. The share of the urban population and its density remain low. The correspondence between vocational education and the economy is high. Student scores are relatively low. In this direction, if we make the necessary analysis from the period 2007-2015, we can find that the demographic stagnation has led to a significant decline in the population, which, on the other hand, has achieved a demographic plateau of negative trends. It is obvious that the district of Dobrich has its demographic framework. The analysis shows that the employment rate of the population aged 15+ in Dobrich District for the period 2007-2015 decreased by 10.2 percentage points. The employment rate in 2015 amounted to 55.2%, which is lower than the national average of 62.6%. For comparison, the employment rate of the population aged 15-64 in 2011 was 53.5% and was below the national average of 58.5% and the national average of 55.8%. Although there is room for further improvement in the labor market (the employment of the population aged 15-64 in 2014 was 66% compared to 62% in 2008), the capacity of the regional economy to generate employment in the absence of significant external capital seems limited (Naydenov, Kl., T. Traykov. 2016). The huge labor pool is among people with primary and lower education, whose employment rate, although rising in 2014, remains at just 19.2% of the working-age population. Regarding the key indicator of the "Europe 2020" Strategy, Employment for 75% of the population aged 20-64. In 2017, the employment rate in the district was 61.0%, the average for the country was 63.9%, and for SIR it was 61.1%, or the district was 2.9 percentage points behind the average employment for the country. Important for the regional economic development of the region is the slight increase in employment, but the share of young people is significantly decreasing on a purely regional scale.

Table 2. Employed persons and employment rate of the population in Dobrich region 2011-2015. Source: NSI and author's calculations.

Years	Persons employed — thousand		Employment rate - %		
	15 years+	15 - 64 years	15 years +	15 - 64 years	20 - 64 years
2015	75,5	74,7	43,9	55,2	61,9
2014	72,4	78,3	57,1	63,4	65,1
2013	72,1	75,8	53,4	59,5	63,8
2012	71,9	72,3	45,6	52,3	62,3
2011	71,7	70,7	42,2	53,5	61

If we assume that 2011 can be a basic year for the period from the beginning of our EU membership in 2007 to 2016, we will be able to determine the main trends and trends in the development of Dobrich District. Thus, the analysis by age groups in 2011 shows that the employed persons are distributed: 15-24 years – 5. 2%, 25-34 years – 19. 5%, 35-44 years – 30. 0%, 45-54 years – 29. 5% and 55-64 years – 15. 8%, which shows that the young population in the medium term does not have great opportunities to feed the labor market with staff. This is also evident from the distinction by levels of education, where employed persons in 2011 with higher education were 21. 9%, with secondary (including professional qualifications) 58. 0% and with primary and lower education 20. 1%. In this direction, the high proportion of people with lower education is shown. On the other hand, the transformation of the economy and the financial crisis has led to an increase in unemployment. The unemployment rate of the population in the district of Dobrich for the period 2007-2011 was higher than the national average and slightly better than the SIR, reaching its lowest level of 7. 01% in 2008, but then it began to rise slightly. As a result of the financial crisis, in the following years the indicator increased to 9. 96% and 10. 53% respectively in 2010 and 2011, with national average values of 9. 47% and 9. 67%, respectively. Interestingly, this trend continues for the years in the period 2011-2015. Looking at the situation in the internal regional plan, the problem with unemployed people remains most serious in the municipality of General Toshevo, where the unemployment rate varies between 19-23%, in the period 2011-2015. Next are the municipalities of Krushari (18%) and Tervel (16%), while the lowest share is the municipality of Dobrich (8%), which determines the relatively lower value for the district compared to the values of the other municipalities. Going back to the key period 2007-2011 can be noted relatively with several percent lower unemployment in the district.

Table 3. Annual average unemployment rate in Dobrich District - (2007 - 2011) (%). Source: NSI-Dobrich

District, municipalities	2007	2008	2009	2010	2011
Bulgaria	7,75	6,31	7,59	9,47	9,67
Chese	9,35	7,54	8,65	10,53	10,59
Dobrich region	8,49	7,01	8,37	9,96	10,53
Balchik	8,99	5,65	7,27	7,74	7,98
General Toshevo	17,91	15,12	14,61	19,6	22,67
Dobrichka	13,55	10,63	9,75	10,01	11,83
Cavernous	9,28	7,7	8,8	10,86	12,72
Pears	20,2	11,71	12,19	15,56	20,03
Tervel	17,33	13,56	13,13	16,08	18,89
Dobrich	3,96	3,66	5,33	7,27	7,11
Shabla	12,76	11,76	12,29	14,23	15,4

The development of entrepreneurship is established as an important basis for the economic growth of the country, which requires improvement of the conditions that support the development of companies. The lack of financial support, complex administrative procedures and the lack of skilled labor are still identified as key partners for starting and expanding businesses and improving employment in the Dobrich region.

Therefore, it is necessary to improve e-government by using e-services by citizens and businesses and implementing measures to promote the construction of broadband infrastructure related to the imposition of new approaches to building effective information networks and a hopeful environment of

services to remote and sparsely populated areas, as the transmission infrastructure is brought closer to consumers.

3. Labour Market and Income of the Population in Dobrich District

The incomes of the population in the district of Dobrich for the period 2007-2016 were below the national average. For a person, the average annual income in 2016 was BGN 8,112, or the average gross monthly salary in the Dobrich region amounted to BGN 676. The average salary in the region is about 250 leva lower than the average salary for the country - 931 leva. The district ranks 14th in the country in this indicator along with the district of Sliven. The highest average monthly salary is received by employees in the districts of Sofia (capital city) - 1 202 BGN, Vratsa - 897 BGN, Stara Zagora - 877 BGN. Over the past years, Dobrudzhans have received an average of BGN 668 for 2015. In the public sector, the average monthly salary is BGN 742, and in the private sector - BGN 650. In the second quarter of 2015 in comparison with the same period of 2014 the average monthly wages and salaries in Dobrich District increased by 4. 8%. The highest average monthly salary for this period was received by employees in the sectors "Production and distribution of electricity, heat and gaseous fuels" - BGN 1 220. "Mining and quarrying" - 990 BGN; "Creation and dissemination of information and creative products; telecommunications" - 878 BGN; "General government" - 877 BGN. The lowest paid employees were in economic activities: "Professional activities and scientific research" - 499 BGN; "Manufacturing" - 527 BGN; "Administrative and support activities" - 558 BGN; "Other activities" - 581 BGN, "Construction" - 605 BGN. According to data from the National Statistical Institute (NSI), the number of employees under labor contract in the district of Dobrich as of 2016 increased by 5 thousand. or by 13. 3% compared to the end of March 2015, reaching 42. 4 thousand..

There are internal regional differences in the income of the population in cities and villages, as well as between municipalities where most of the services provided and entrepreneurship are concentrated and municipalities that are less developed in the sector of services for business. Wages and salaries continue to be a major source of household income with over 43 % of total income. At the same time, in the district of Dobrich, the share of the population living in material deprivation and that of the poor relative to the poverty line in the country continued to be lower in 2016. The district is among the leaders in the category measuring the effectiveness of the administration. However, it is necessary to develop and implement a single, common to the whole administration, information system for organizing and managing the processes of providing services.

4. Demographic situation of Dobrich District in the period 2020-2024

In 2023, the population of Dobrich District was 147,208, which represents 2.3% of the country's population. Men were 70 448 (47.9%) and women – 76 760 (52.1%), or 1 000 men accounted for 1090 women, vs. 1080 women nationally. The number of men predominates in the ages up to 49 years. With increasing age, the number and relative share of women in the total population of the country increases. At the end of 2022, the settlements in Dobrich District are 215, of which 6 are towns and 209 - villages. In the district there are three settlements without population - the village of Karvuna (municipality of Balchik), village of Brestnitsa (municipality of Tervel) and village of Travnik (municipality of Kavarna). In 50, 4 3.3% of the settlements, live from 1 to 49 people inclusive, as in 14 settlements live from 1 to 10 people inclusive. With a population of over 1000 people, there are 10 settlements in the district, where 74.2% of the district's population live. The largest city in the area is Fr. Dobrich with a population of 71947 people, which is the ninth largest in the country after the town of Dobrich. Sliven (79 362 people) and before the

town of Sliven. Shumen (67 300 people). In Fr. Dobrich live 48.9% of the population of the district. The smallest in terms of population in the district of Dobrich are the village of Kraishte (municipality General Toshevo), village of Voyniovo (municipality of Tervel), village of Staevtsi (municipality of Shabla), Uzovo (municipality of General Toshevo), village of Bryastovo (municipality of Balchik), village of Ograzhden (municipality of General Toshevo) is. Dryanovets (municipality of Dobrich-ruralska) with less than 5 inhabitants, and the largest village in the district is the village of Obrochishte (municipality of Balchik) -1 726 people. The main factors influencing changes in the number and structures of the population are demographic processes - birth rate, mortality and migration.

Table 4. Demographic situation of Dobrich district. Source: NSI

Communities	all	male	female	in towns	Villages in district
Dobrich	147208	70448	76760	104331	42877
Balchik	15910	7704	8206	9291	6619
Gerenl Toshevo	10889	5280	5609	5524	5365
Dobrich district	16634	8212	8422		16634
Dobrich sity	71947	33703	38244	71947	N/A
Каварна	13007	6219	6788	10216	2791
Krushary	3094	1544	1550		3094
Tervel	11821	5879	5942	4598	7223
Shabla	3906	1907	1999	2755	1151

4. Developing e-government to strengthen the regional economy

The municipality of Dobrich-City emerges as a dominant player in the regional economy. The highest number of economic units and all economic outputs are concentrated there, also the number of employed and employed is the highest. The services sector has the highest share in the revenue of the district economy, followed by the secondary sector. It can be stressed that the number of firms in the district is moving in line with the economic conditions in the country. It is normal that the number of firms decreased after 2009 due to the crisis, but it is a distinctive fact for the district that in 2011 the number of firms was higher than in previous years. The behavior of the main economic indicators - output, operating income, net sales and operating expenses - is quite normal (Budinov, B., Kl. Naydenov 2016) . They are accounted for in the annual balance sheets of firms and no comparability can be sought. In order to develop the labor market it is necessary to further develop e-services and activities. In practice, the one-stop e-government achieved is not sufficient, although it is relatively well developed and there is a relatively transparent administration.

There is a need to accelerate the development of ultra-high-speed communication connectivity for Next Generation Access (NGA), with connectivity provided to the town hall of each municipal administration, as well as to the buildings of the public institutions therein (judiciary, prosecution, police, schools, hospitals). In practice, the implementation of a qualitative new e-services environment is needed in Dobrich region, linked to the single portal for access to e-administrative services and the single environment for the exchange of electronic documents. This will address the need to provide quality services by ensuring data safety, security of connections in a fully secured environment. Technical skills:

required to solve innovative problems, design, operate, improve and maintain machinery and structures, including new advanced digital technologies, professional IT skills. Innovative management skills: related to business planning in the context of i4.0 and i5.0, regulatory compliance and quality control, human resource planning and effective resource allocation in innovative activities. Creative skills: useful for innovative activities, in creating new value-added products, in experimenting outside conventional norms and in transforming different social and economic problems into entrepreneurial opportunities. Entrepreneurial skills for innovative companies, especially in the high-tech sector: specific to new companies, such as creating a sustainable business plan, accepting and managing risks, strategic thinking, ability to create new networks, ability to cope with new challenges and related requirements with the transition to i4.0 and i5.0. Environmental skills (green): specific to generating or modifying products, services and processes in line with circular economy principles, e.g. recycling, upcycling, reprocessing and the need to continuously adapt to climate change, respectively climate change regulations.

It is of utmost importance to further develop the primary and backup technical centres to primary and backup data centres, thereby setting the stage for the establishment of a reliable IT environment. Conditions should be created for the proper functioning of and access to primary electronic registers, as well as for the development and widespread provision of electronic services with a high public impact. Thus providing higher added value for the customer and responding to the "hot spots" of the lifecycle of life episodes and business events and identifying significant benefits from integration with other administrative services, it is necessary to prioritize a portfolio of e-services of municipal administrations and territorial authorities. The introduction of e-invoices and the introduction of e-invoicing will help reduce tax fraud, better control budget revenues and reduce administrative costs. The usability of e-services will increase with the introduction of e-payments as the preferred way to pay for state and municipal fees and services, as well as the creation of a tool for administrations to pre-calculate the cost of a complex service before requesting it electronically. On a local level in the region, a national spatial data portal needs to be launched to provide services with information for national and European users and a link to the European Geoportal. The portal will provide public access to share interoperable spatial data in accordance with European standards and the Infrastructure for Spatial Information in the European Community (INSPIRE) Directive (Vladev, I., R. Vladeva 2022).

5. Putting e-government into practice in Dobrich region

For the development of e-services, it is necessary to develop in the municipalities of Dobrich district the practice of "Request for issuance of a certificate of the existence or absence of obligations by the revenue authorities", without the need to go to the relevant territorial directorate of the NRA to obtain the document. It may also be necessary to apply for other services electronically, such as the service for granting benefits for newborn children, exchange of data with the Social Assistance Directorate, Child Protection Department. The upgrading of existing and the construction of new central systems of e-government with a view to improving the information and communication environment for better administrative services to citizens and businesses in Dobrich district can help to attract investment and the development of local businesses, and hence to increase employment and the need for additional qualifications for young people. This means that the municipalities of the district will get access to the registers of the state administration, the so-called RegiX systems. The system provides centralised, controlled access to retrieve data from central government registers. At the moment when the module is implemented in all municipalities of Dobrich district, it will be possible to use data from more than 30

registers, including: the Customs Agency, the Registry Agency, the Ministry of Interior, the Ministry of Education and Science, the Ministry of Agriculture and Rural Development, the Bulgarian Food Safety Agency, the Executive Motor Vehicle Inspection Agency and others, requested in advance by the administration. In this way, citizens will not be required to submit documents issued by the above-mentioned administrations, but they will be obtained ex officio. The next step is to purchase at least 213 VPN devices to be installed in most town halls in order to improve service to the population of Dobrich district. The purpose of this type of connectivity is to work in a single network. This network enables data transmission, internet access to all settlements in the district. Full use is made of the electronic document management system "Akster Clerk", LDB "Population", program "Aktopis", civil status records for the entire district, GIS platform, which facilitates service users in remote settlements and more complete control over the work in the town halls. By building the virtual network, better quality, efficient and easily accessible electronic services are provided to citizens and businesses. On-line services can be requested through the e-administrative services portal in localities throughout the district. All town halls and town halls on the territory of the Dobrich district have started to accept applications, requests, complaints and other requests of citizens at the town halls. With their entry into the electronic system of the municipality, all documents submitted through the town halls immediately reach the relevant department or directorate to which they are directed. Citizens can receive their services, through a licensed postal carrier, by email or by any method they have specified for their convenience. On a daily basis, the municipal administrations in Dobrich region can exchange data with the town halls regarding the provision of complex administrative services. This will enable the citizens of the respective locality to receive complex administrative services in the field of civil status, both for the entire municipality and district, as well as for the entire country, by submitting an application to the respective town hall where they live.

CONCLUSION

The creation of the unified database aims to facilitate regional business and at the same time to modernize the Dobrich region to make it attractive for investment. Dobrich region requires to become a competitive region at European level, with a high level of innovation, able to attract and capitalise on investments, connected internally and internationally, whose citizens benefit from an education system at European level, in environmentally clean areas and which guarantee a high quality of life. The emerging regional disparities can be reduced through the introduction of e-government to help attract foreign investment and qualify the available human resources. In line with best practices and recommendations of the European Union, e-government has as one of its main objectives the electronic provision of quality, cost-effective and easily accessible administrative services to citizens and businesses. Offering services electronically creates convenience for citizens and businesses, reduces the cost of providing services, increases efficiency and minimises corruption pressure. This leads to easing of administrative pressure and enables new professions to enter the labour market. The electronic exchange between the units of the administration ensures the effective implementation of the powers of the administration and the provision of administrative services to citizens and businesses electronically. The results of combining a new formula of secondary education and lifelong learning in terms of e-government is oriented towards services that allow scalability and fractality (related to the repetition of the same structure at different levels) of e-administrative services aimed at overcoming regional disparities at the local level.

REFERENCES

Atanasova, M., Kl. Naydenov.(2016) Obezlyudyavaneto v R Bulgariya i tselenasochenite investitsionni programi – bulgarskiya opit i praktika. str. 240-248

Boyadzhiev, V. (2006) - Regional Development and Local Government, Economic aspects of regional policy. Q: The economy of Bulgaria and the European Union. Catching economic development strategy and Realities, 2006

Budinov, B., Kl. Naydenov. .(2016) Demografsko povedeniye na naseleniyeto v R Bulgariya – tendentsii i perspektivi. str. 252-257

Dimov, N. (2006) - Problems of self-organization and synergy in regional development in Bulgaria, WB.: Bulgarian society to join the European Union, the " Fr. Ebert " - Institute of Sociology, BA, Ed."East-West"S

Naydenov Kl. (2008) Istoricheskoto razvitiye na kontseptsiiite za demografska politika do kraya na Vtorata svetovna vojna, sbornik „Geografiya i regionalno razvitiye”, S. 2008

Naydenov, Kl., T. Traykov. (2016) Zastaryavane na naseleniyeto v Bulgariya - tendentsii, osobenosti i regionalni razlichiya str. 286-292

Patna karta z aizpalnenie na Strategiyata za razvitiye na eelektronnoto upravlenie v Republika Balgariya za perioda 2016-2020

Regionalen plan za razvitiye na Severnoiztochen rayon za perioda 2014 – 2020 Employment and unemployment - annual data 2014

Vladev, I., R. Vladeva.(2022) Healthcare problems – one of the most important modern geoglobal problems.//SocioBrains, ISSUE 90, February 2022, p. 190-202

Yankov, R. (2016) Depopulatsiyata na Severna Bulgariya str. 293-300

A MODEL OF CONFLICT MANAGEMENT STRATEGY IN BUSINESS ORGANIZATION

Nadezhda Todorova¹

Denislava Doneva

Angel Stoyanov

¹Email: tera.nadia@gmail.com Agricultural University of Plovdiv, bul. "Mendeleev" 12, 4000 Trakiya, Plovdiv, Bulgaria

ABSTRACT

The purpose of the article is to analyze the existing principles of strategic conflict management and propose an algorithm for modeling an effective conflict management strategy in the business organization. The main methods used in developing the strategy model are scientific abstraction, the method of analysis and synthesis. Scientific abstraction is a process by which a scientific researcher summarizes and presents the main ideas, results and conclusions of his research. Conflicts must be recognized and resolved quickly and effectively before they affect the long-term functioning and success of the business organization. It goes without saying that the negative effects of the emergence of conflicts, as well as their management, through inappropriate approaches, methods and strategies should not be underestimated. If this happens, management efficiency may suffer in the long term, which may lead to the liquidation of the business organization in the form in which it was originally organized. The stated principles, approaches and strategies are reliable tools for effective conflict management in the business organization.

KEYWORDS: conflicts, strategy, efficiency

ABSTRAKT

Ziel des Artikels ist es, die bestehenden Grundsätze des strategischen Konfliktmanagements zu analysieren und einen Algorithmus für die Modellierung einer wirksamen Konfliktmanagementstrategie in einer Unternehmensorganisation vorzuschlagen. Die wichtigsten Methoden, die bei der Entwicklung des Strategiemodells angewandt werden, sind die wissenschaftliche Abstraktion, die Methode der Analyse und die Synthese. Die wissenschaftliche Abstraktion ist ein Prozess, mit dem ein wissenschaftlicher Forscher die wichtigsten Ideen, Ergebnisse und Schlussfolgerungen seiner Forschung zusammenfasst und darstellt. Konflikte müssen schnell und effektiv erkannt und gelöst werden, bevor sie das langfristige Funktionieren und den Erfolg der Unternehmensorganisation beeinträchtigen. Es versteht sich von selbst, dass die negativen Auswirkungen des Auftretens von Konflikten sowie deren Bewältigung durch unangemessene Ansätze, Methoden und Strategien nicht unterschätzt werden dürfen. Wenn dies geschieht, kann die Effizienz des Managements langfristig leiden, was zur Auflösung der Unternehmensorganisation in ihrer ursprünglichen Form führen kann. Die genannten Grundsätze, Ansätze und Strategien sind zuverlässige Instrumente für ein wirksames Konfliktmanagement in der Unternehmensorganisation.

STICHWORTE: Konflikte, Strategie, Effizienz

RÉSUMÉ

L'objectif de cet article est d'analyser les principes existants de la gestion stratégique des conflits et de proposer un algorithme pour modéliser une stratégie efficace de gestion des conflits dans l'entreprise. Les principales méthodes utilisées pour développer le modèle de stratégie sont l'abstraction scientifique, la méthode d'analyse et la synthèse. L'abstraction scientifique est un processus par lequel un chercheur scientifique résume et présente les idées principales, les résultats et les conclusions de sa recherche. Les conflits doivent être reconnus et résolus rapidement et efficacement avant qu'ils n'affectent le fonctionnement à long terme et le succès de l'organisation commerciale. Il va sans dire qu'il ne faut pas sous-estimer les effets négatifs de l'émergence des conflits, ainsi que de leur gestion par des approches, des méthodes et des stratégies inappropriées. Si cela se produit, l'efficacité de la gestion peut en souffrir à long terme, ce qui peut conduire à la liquidation de l'organisation commerciale sous la forme sous laquelle elle a été organisée à l'origine. Les principes, approches et stratégies énoncés sont des outils fiables pour une gestion efficace des conflits dans l'entreprise.

MOTS-CLÉS: conflits, stratégie, efficacité

INTRODUCTION

In management theory, conflict is seen as an inevitable event that can be controlled by management (Baron, 1997); (Borisov & Popova, 2021). Conflict is seen as a means of developing business organization and overcoming resistance to change on the part of personnel (Anderson and Gerbing, 1988). Main sources of conflicts in the economic organization are: - (1) the scarcity of resources (Apostolopoulos, Kakouris, Liargovas, Borisov, Radev, Apostolopoulos, Daskou, Anastasopoulou, (2023); (2) the management approach that the manager uses in motivating personnel (Bartram, 1997); (3) the need to work in teams whose formal structure and commitment to other organizational units creates conflicts (Beersma and Dreu, 1999); (4) the way of delegation of authority and rights in the business organization and etc. (Behluli, Qerimi, Borisov and Hajdari, 2020).

The inevitability of conflicts in the business organization requires managers to acquire and develop conflict management skills, seeking strategies to maximize the positive effects of conflicts. As positive effects, the following can be highlighted: (1) in conditions of conflict, the staff unites and is able to react more effectively and productively in the organization (Bentler, 1990); (2) through a properly applied management strategy, by working through the conflict, organizational tension is normalized and stress levels for staff are minimized (Killman and Thomas, 1977); (3) personnel, begin to compete more intensively, which leads to the development of new skills or the dropping of ineffective workers from teams in the organization and their replacement by more effective and adaptive to conflict conditions (Landy, 1978).

All these conditions require managers to have an in-depth knowledge of the strategic approach to conflict management.

The purpose of the article is to analyze the existing principles of strategic conflict management and propose an algorithm for modeling an effective conflict management strategy in the business organization.

The main methods used in developing the strategy model are scientific abstraction, the method of analysis and synthesis. Scientific abstraction is a process by which a scientific researcher summarizes

and presents the main ideas, results and conclusions of his research. The method of scientific abstraction includes the following steps (Crocker and Algina, 1986):

- Identification of key elements: the researcher should identify the key aspects of his study, including the purpose of the study, the methods used, the data collected and the main results;
- Definition of structure: an abstract usually follows a structure that includes an introduction, methodology, results, and conclusions. The researcher must determine how to represent these elements in the abstract;
- Brevity and clarity: the abstract should be short and clear. The researcher should aim to present the main information, avoiding superfluous details. Brevity is key, as abstraction often has limited depth of exploration;
- Avoiding Ambiguity and Ambiguity: The abstract should be worded in such a way as to leave no room for different interpretations or ambiguity. The researcher must use clear and precise language;
- Highlight the key findings: the researcher should highlight the main findings and conclusions of his research. This includes presenting the significance of the results and their role in the context of the relevant field of science;
- Editing and review: the last step in the method of scientific abstraction is editing and reviewing the text. The researcher must ensure that the abstract is literate, clear and meets the requirements for presenting scientific information.

Following these steps helps the researcher create an effective scientific abstract that provides a compact summary of the content and importance of the study.

Logical analysis and synthesis is a method used in various fields of science to examine and create complex systems by analyzing and combining their components. Here are some of the key steps of this method (Evers, Frese and Cooper, 2000):

- Analysis (examination): (1) Identification of components: Determining the main elements or components of the system under study. This process involves analyzing the structure and functions of each component; (2) Determining the relationships between components: Analyzing how the components are related to each other. This includes considering the interactions and dependencies between them; (3) Derivation of regularities and cause-and-effect relationships: Determination of regularities in the functioning of the system and investigation of cause-and-effect relationships between components;
- Synthesis (creation): (1) Designing new components: Creating new elements or components that can be integrated into the system. These components are supposed to solve certain problems or improve the functionality of the system. (2) Optimizing connections and interactions: Improving the way components interact with each other. This process includes optimization of communication, information exchange and functionality; (3) Integration of the new components into the system: Combining the newly created components with the existing system. This stage includes ensuring the compatibility and proper functioning of the system as a whole;
- Evaluation and implementation: (1) Evaluation of results: Evaluation of the effectiveness of the new components and their interactions with the system; (2) Implementation: Putting the new components into practice and using the results of the analysis and synthesis.

RESULT AND DISCUSSION

What is the strategy? strategy is a long-term plan or approach that is constructed to achieve certain goals or solve certain problems (De Dreu, Nauta, Van de Vliert, 1995). It defines the main actions and directions to be taken, as well as the resources to be used to achieve these goals (Osmani, Kolaj, Borisov and Arabska, 2022).

Strategy can be applied in various fields, such as business, military operations, marketing, sports and others. It includes analyzing the current situation, selecting appropriate methods and alternatives, planning actions and resources, and monitoring progress and adjusting the plan as necessary.

A good strategy must be based on an objective analysis of internal and external factors, have specific, measurable and achievable goals, be flexible and able to adapt to changing conditions, and be supported by effective implementation and control mechanisms (Putnam and Wilson, 1982).

Strategy can be presented in various forms, such as a strategy map, an action plan, or a business model (Loehlin, 1998). Its implementation requires a constant process of evaluation and revision in order to adapt to changes in the environment and achieve the desired results (Alieve and Garabedian, 2022)

Reasons for conflicts in the business organization: conflicts in the business organization are common and occur due to differences in the views, interests, goals and work styles of the people in it (Thomas and Killman, 1978). They can occur at all levels of the organization, from teams and departments to management echelons (Pruitt, 1998).

The reasons for conflicts in the business organization can be:

1. Differences in views and goals - when people in the organization have different ideas about achieving the goals of the organization or about the ways in which they should be achieved (Janssen O and Van de Vliert, 1996).

2. Lack of clarity about the roles and responsibilities of employees - if employees do not clearly understand what exactly is expected of them and what their responsibility is, this can lead to conflicts and misunderstandings (Euwema and Van de Vliert, 1990).

3. The art of management - some management decisions and actions can cause conflicts, especially if they are perceived as unfair or unacceptable by employees (Deutsch, 1973).

4. Lack of resources - the scarcity of resources, such as money, personnel or time, can cause conflicts, especially when they are shared by different departments or employees (Blake and Mouton, 1964).

5. Personal conflicts - personal problems between employees or contradictions due to differences in views, work styles or personal preferences can lead to conflict (Carnevale and Pruitt, 1992).

6. Conflicting interests and goals - organizations may have different interests and goals that conflict with each other. This can lead to conflicts between individual employees, departments, or even between employees and management (Johns, 1998).

7. Lack of support from management - if employees do not receive the necessary support from management or if they feel that their concerns and problems are not taken seriously, this can lead to conflicts and dissatisfaction (De Dreu CKW, Harinck F, Van Vianen, 1999).

8. Lack of a management strategy for conflict resolution - if the organization lacks a clear strategy for conflict resolution and procedures for accepting complaints and grievances, this can lead to the accumulation of dissatisfied employees and the creation of conflicts (Putnam and Wilson, 1982).

To manage conflicts in the business organization, managers and high-level people must develop good communication habits, especially open listening and feedback, building teams that are based on trust, openness and cooperation, handling conflicts constructively and with negotiations.

Approaches to conflict management in the business organization - approaches to conflict management in the business organization may include:

1. Prevention: Preparation of conflict management policy and procedures that are implemented in the organization. Creating a positive work environment that promotes communication, cooperation and conflict resolution (Putnam and Wilson, 1982).

2. Early detection: The earliest possible detection of conflicts before they become serious and spread. This can be through regular effective communications and open channels for presenting problems and complaints (Carnevale and Pruitt, 1992).

3. Mediation: The use of a third party (an independent mediator) to mediate conflict resolution. This can help to reach a compromise or agreement between the parties, ensuring a fair and neutral solution (Janssen O and Van de Vliert, 1996).

4. Training: Provide training to staff in conflict management, communication skills, emotional intelligence and other related skills. These skills can help prevent and manage conflict more effectively ((Putnam and Wilson, 1982).

5. Alternative Dispute Resolution Methods: Use of alternative dispute resolution methods such as arbitration, mediation or consultation with a professional lawyer. These methods may help to find a quick and efficient resolution of the dispute without resorting to a trial (Thomas and Killman, 1978).

All these approaches can be combined and adapted to the specific needs and situations in the business organization. Approaches to conflict management should focus on achieving fair and sustainable solutions that maintain good working relationships and promote the successful functioning of the organization.

Conflict Management Strategies: the following popular conflict management strategies exist in the scientific literature:

1. Identify and understand the causes of the conflict: Before starting to deal with the conflict, it is important to understand what caused it. Conflicts often result from differences in people's views, values, goals or interests ((De Dreu, Nauta, Van de Vliert, 1995).

2. Communication and listening: Effective communication is critical to conflict management. Listening carefully to the other side, without interrupting or blaming. Expressing difficulties, needs and concerns clearly and respectfully. Avoiding dramatic or aggressive communication, which can only exacerbate conflict (Bentler, 1990).

3. Accepting Differences: Differences in views and opinions can exist and should be respected. Differences can be seen as an opportunity for diversity and mutual enrichment (Bartram, 1997)

4. Cooperation and compromise: Seeking solutions that are acceptable to all parties. Applying cooperation and compromise to find solutions that are satisfactory to all (Thomas and Killman, 1978).

5. Third party assistance: If the conflict cannot be resolved, an independent party such as a mediator or third party may be approached to help resolve the conflict (Anderson and Gerbing, 1988).

6. Functional Teams: Creating work teams where employees cooperate and understand each other, reducing the likelihood of conflict (Landy F. 1978).

In conclusion, conflicts in the business organization pose a serious threat to its efficiency and productivity. They can lead to a decrease in work motivation and a decrease in work productivity. Conflicts can create tension and destabilization in the work environment, leading to the loss of key employees and a decrease in clients.

One of the causes of conflicts in organizations is often the lack of clear communication channels and poor conflict management. Weak leadership and insufficient involvement of employees in the decision-making process can further increase conflicts.

CONCLUSION

Ultimately, the management team must be an active and responsible partner in conflict resolution. Conflicts must be recognized and resolved quickly and effectively before they affect the long-term functioning and success of the business organization. It goes without saying that the negative effects of the emergence of conflicts, as well as their management, through inappropriate approaches, methods and strategies should not be underestimated. If this happens, management efficiency may suffer in the long term, which may lead to the liquidation of the business organization in the form in which it was originally organized. The stated principles, approaches and strategies are reliable tools for effective conflict management in the business organization.

REFERENCES

- Alieva, A., H. Garabedian (2022). Analysis of innovations in agricultural holdings in Bulgaria. *Journal of Management Sciences and Applications* vol1., 2022, 80-88, ISBN 2815-3030
- Anderson JC, Gerbing DW. 1988. Structural equation modeling in practice: a review and recommended approach. *Psychological Bulletin* 103: 411–423.
- Apostolopoulos, N., Kakouris, A., Liargovas, P., Borisov, P., Radev, T., Apostolopoulos, S., Daskou, S., Anastasopoulou, EE (2023). Just Transition Policies, Power Plant Workers and Green Entrepreneurs in Greece, Cyprus and Bulgaria: Can Education and Retraining Meet the Challenge? *Sustainability* 2023, 15,16307, <https://doi.org/10.3390/su152316307>
- Baron RA. 1997. Positive effects of conflict: insights from social cognition. In CKW De Dreu, E Van de Vliert (eds). *Using Conflict in Organizations*, Sage: London; 177–191.
- Bartram D. 1997. Review of ability and aptitude tests (Level A) for use in occupational settings. *British Psychological Society Books*: Leicester.
- Beersma B, De Dreu CKW. 1999. Negotiation processes and outcomes in prosocially and egoistically motivated groups. *International Journal of Conflict Management* 10: 385–402.
- Behluli, A., F. Qerimi, P. Borisov, M. Hajdari (2020). The Impact of the Job Characteristics on Employees' International Motivation. A Case Study into Kosovo's Agribusinesses. Conference: 20th International Multidisciplinary Scientific GeoConference Proceedings SGEM 2020, 33-41, DOI:10.5593/sgem2020/5.2/s21.073

- Bentler PM. 1990. Comparative fit indices in structural models. *Psychological Bulletin* 107: 238–246.
- Blake R, Mouton JS. 1964. *The Managerial Grid*. Gulf: Houston, TX.
- Borisov, P. & Popova, I. (2021). Approach to change management to achieve a stronger level of competitiveness of wine companies in Bulgaria. *Bulgaria J. Agric. Sci.*, 27 (Suppl. 1), 3–9
- Carnevale PJD, Pruitt DG. 1992. Negotiation and mediation. *Annual Review of Psychology* 43: 531–582.
- Crocker L, Algina J. 1986. *Introduction to Classical and Modern Test Theory*. Holt, Rinehart & Winston: Orlando, FL.
- De Dreu CKW, Harinck F, Van Vianen AEM. 1999. Conflict and performance in groups and organizations. *International Review of Industrial and Organizational Psychology* 14: 376–405.
- De Dreu CKW, Nauta A, Van de Vliert E. 1995. Self-serving evaluation of conflict behavior and escalation of the dispute. *Journal of Applied Social Psychology* 25: 2049–2066.
- Deutsch M. 1973. *The resolution of conflict: constructive and destructive processes*. Yale University Press: New Haven, CT.
- Euwema MC, Van de Vliert E. 1990. Gedrag en escalatie bij hiërarchische conflicten (Behavior and escalation in hierarchical conflicts). *Toegepaste Sociale Psychologie* 4: 28–41.
- Evers A, Frese M, Cooper CL. 2000. Revisions and further developments of the Occupational Stress Indicator (OCI): LISREL results from four DUTCH studies. *Journal of Occupational and Organizational Psychology* 73: 221–240.
- Janssen O, Van de Vliert E. 1996. Concern for other's goals: key to de-escalation of conflict. *International Journal of Conflict Management* 7: 99–120.
- Johns G. 1998. A multi-level theory of self-serving behavior in and by organizations. *Research in Organizational Behavior* 21: 1–38.
- Killman RH, Thomas KW. 1977. Developing a forced choice measure of conflict handling behavior. *Educational and Psychological Measurement* 37: 309–325.
- Landy F. 1978. Conflict management survey. In OK Buros (ed). *Eighth mental Measurement Yearbook*, Vol. 2, Gryphon: Highland Park, NJ; 1173–1174.
- Loehlin JC. 1998. *Latent Variable Models. An Introduction to Factor, Path, and Structural Analysis*, 3rd ed. Lawrence Erlbaum: Mahwah. NJ.
- Osmani, M., R. Kolaj, P. Borisov, E. Arabska (2022). Why agriculture policies fail and two cases of policy failures in Albania. *Agricultural and resource economics: International Scientific e-journal*, vol.8, #2, 2022, 86-104, ISSN 2414-584X
- Pruitt DG. 1998. Social conflict. In D Gilbert, ST Fiske, G Lindzey. (eds). *Handbook of Social Psychology*, 4th edn, Vol. 2, McGraw-Hill: New York; 89–150.
- Putnam LL, Wilson CE. 1982. Communicative strategies in organizational conflicts: reliability and validity of a measurement scale. In *Communication Yearbook*, Vol. 6, M Burgoon. (ed). Sage: Beverly Hills, CA; 629–652.
- Thomas KW, Killman RH. 1978. Comparison of four instruments measuring conflict behavior. *Psychological Reports* 42: 1139–1145.

TRENDS IN SPATIAL AND REGIONAL DEMOGRAPHIC DEVELOPMENT OF THE SILISTRA REGION

Mihaela Georgieva¹

¹E-mail: mihaelchity@abv.bg

ABSTRACT

This report is dedicated to the regional development in Silistra district. The exhibition focuses on the condition of the population and settlements in the area. A group of problems in the area of development of the region is presented, with an emphasis on regional economic development. The adopted approach gives us a reason to present the regional potential of the Silistra region as a regional space with its strengths and weaknesses. The purpose of the exhibition is to present the trends related to the regional development of the region in accordance with its demographic potential. Also implementation of targeted programs and projects to improve the socio-economic development of the district. The regional development of the Silistren region is important for the formation of common policies and the imposition of principles and positive policies to help mitigate differences.

KEYWORDS: population, settlements, regional development, space, territory, district, government, demography

ABSTRAKT

Dieser Bericht ist der regionalen Entwicklung im Bezirk Silistra gewidmet. Die Ausstellung konzentriert sich auf den Zustand der Bevölkerung und der Siedlungen in diesem Gebiet. Es wird eine Gruppe von Problemen im Bereich der Entwicklung der Region vorgestellt, wobei der Schwerpunkt auf der regionalen Wirtschaftsentwicklung liegt. Der gewählte Ansatz gibt uns Anlass, das regionale Potenzial der Region Silistra als einen regionalen Raum mit seinen Stärken und Schwächen darzustellen. Ziel der Ausstellung ist es, die Trends der regionalen Entwicklung der Region entsprechend ihrem demographischen Potential darzustellen. Auch die Umsetzung von gezielten Programmen und Projekten zur Verbesserung der sozioökonomischen Entwicklung des Bezirks. Die regionale Entwicklung der Region Silistren ist wichtig für die Bildung gemeinsamer Politiken und die Durchsetzung von Grundsätzen und positiver Politiken, um Unterschiede zu mildern.

STICHWORTE: Bevölkerung, Siedlungen, regionale Entwicklung, Raum, Gebiet, Bezirk, Regierung, Demographie.

RÉSUMÉ

Ce rapport est consacré au développement régional dans le district de Silistra. L'exposition se concentre sur la situation de la population et des établissements dans la région. Un ensemble de problèmes dans le domaine du développement de la région est présenté, en mettant l'accent sur le développement économique régional. L'approche adoptée nous permet de présenter le potentiel régional de la région de Silistra en tant qu'espace régional avec ses forces et ses faiblesses. L'objectif de l'exposition est de présenter les tendances liées au développement régional de la région en fonction de son potentiel démographique. Aussi la mise en œuvre de programmes et de projets ciblés pour améliorer le

développement socio-économique de la région. Le développement régional de la région de Silistren est important pour la formation de politiques communes et l'imposition de principes et de politiques positives pour aider à atténuer les différences.

MOTS-CLÉS: population, établissements, développement régional, espace, territoire, district, gouvernement, démographie.

INTRODUCTION

Territorial development in Bulgaria is at an important stage where it is necessary to form regional profiles of the districts by outlining the priorities at least until 2030 (Alieva, 2022). A key moment in outlining regional development trends and assessing the demographic situation of the districts is determined after the Local Elections 2023. Particularly important are the changes in a number of districts. In a purely spatial aspect, the focus of our presentation falls on the district of Silistra. The main challenge for the selection of the district of Silistra is to find the balance between the priorities of the individual municipalities through an analysis of the population and settlement situation in the district. Silistra is among the districts with low investment activity. The quality of road surfaces is relatively high. All local taxes considered are lower than the national average. The self-assessment of e-government development is significantly increasing and is relatively high. The average rating for transparency in local government lags behind. To a large extent, the development of Bulgarian regions and districts should correspond with national priorities and understandings of regional development and the European Commission's policy on territorial development of the European Union as a whole. Therefore, within the framework of the regional development policy implementation process, it is of particular importance to define those policies that will improve the socio-economic situation of the population. Through the profile of the district, we will try to highlight both the more significant changes in recent years and the long-term processes and spatial problems in the district of Silistra. Methodologically, we need to have a specific approach to the spatial elements of the overall strategic planning system developed in the district for the regional and local development of Silistra, which reflects the specific context of the current socio-economic situation and development priorities in line with the new strategic orientation of cohesion and regional policy in the European Union. On the other hand, the demographic problem, which is key to regional impact, has become increasingly important in recent years. For example, data on internal migration show that most regions remain net contributors to the labour force, which, combined with persistent negative natural population growth, is leading to rapid depopulation and a worsening age structure in most regions of the country. This directly corresponds with the view that attracting new labour resources will be aligned with new thematic objectives and investment priorities at district level due to human resource constraints. This, in turn, will also influence local business development and the breadth of public governance. In this direction, outlining the demographic potential of the district is an important condition for the implementation of a series of targeted measures to pull development and overcome the imbalances that have emerged at the regional level (Petrov, K. 2016).

RESULTS AND DISCUSSION

Spatial and territorial characteristics of Silistra district. Spatially, Silistra District is located in North-Eastern Bulgaria, in the plain region, part of Dobrudja. The territory borders Romania along the

right bank of the river. It is bordered by the Danube River on the right-hand side, and by land by the municipality of Ostrov and the municipality of Lipnica on Romanian territory. To the west and south-west it is bordered by the districts of Ruse and Razgrad, and to the south and south-east by Shumen and Dobrich. In 2018, the population of Silistra District was 110 562, which represents 1.6% of the country's population and ranks the district 25th in terms of population, just after Targovishte District (112 474) and before Gabrovo (110 254) and Smolyan (107 282). Compared to 2016, the district's population decreased by 1 395 people, or by 1.2%. There were 54 199 (49.0%) men and 56 363 (51.0%) women, or 1 040 women per 1 000 men. The number of males is consistently prevalent in the under 58 age group. As age increases, the number and relative proportion of women in the total population of the district increases. In terms of regional economic development, there has been a slow increase in GDP, but the growth rate remains satisfactory, making Silistra District the lowest GDP per capita in the country. A similar picture is observed in the labour market (Vladev, I 2017).

The poorly urbanized territory of the district explains the still low connectivity of the population to sanitation. The main settlements in the district include the city of Silistra, 7 municipalities - Alfatar, Glavinitsa, Dulovo, Kainarja, Silistra, Sitovo and Tutrakan and 118 settlements - 5 towns and 113 villages. The average population density also decreased from 41.2 to 39.34 people per sq.km. The territory of the district covers 2846 sq.km (2.6% of the country's territory). Settlements occupy 4.5% of the total territory of the district (126983 ha). Watercourses and water areas have a relative share of 2%, 1% of the territory is allocated to transport needs and only 0.02% to mineral extraction. The largest municipality is Glavinitsa (20% of the territory), followed by Silistra (18%) and Dulovo (17%). The smallest municipalities are Alfatar (9% of the district territory) and Sitovo (10%). The district centre - the town of Silistra is 124 km from Ruse, 112 km from Razgrad, 88 km from Dobrich and 437 km from the capital Sofia. In 2019, the share of the population in settlements with public sanitation remained at just over 54%, compared to nearly 77% in the country. The district's towns are home to 48,908 people, or 44.2% of the district's population, while villages are home to 61,654 people, or 55.8% of the district's population. The largest town in the district is the town of Bishkek. Silistra has the largest population, with 31 891 people, followed by the town of. The population of the district was 7 857. Alfatar - 1 419 people, Glavinitsa - 1 363 people and Dulovo - 6 378 people. As of the end of 2018, the number of settlements in Silistra District was 118, of which 5 were towns and 113 were villages. The distribution of the population by settlements at the end of the year is the result of its natural and mechanical movement. At the end of the year there were no settlements without population in the district. In 11 villages there are between 1 and 49 inhabitants. The majority of settlements in the district have a population of 100 to 999 people - 71, or 60.2 % of all settlements. Silistra needs intensive tourism development, which can be achieved by improving the transport infrastructure. This will also lead to an increase in employment of the population, given its predominantly agricultural profile. At present, tourism is not a significant economic sector in the municipalities of the district. The expansion of this base is badly needed given the tourist interest of Romania, Moldova and Poland in North East Bulgaria. Also important for the development of tourism and the proximity of Shumen district, which has the corresponding tourism potential (Vladev, I. 2017). Unfortunately, however, the region is mainly oriented towards low-intensity destinations and short-term visitors, providing little employment and low added value. This, in turn, implies deficits in available entrepreneurial capacity and skilled workforce, as well as difficulties in the design, implementation and effective promotion of cost-effective tourism

products. Another potential barrier to tourism development is the traditional problems along the centre-periphery axis that all peripheral municipalities in Silistra region face. An example of this is the sluggishness of the Local Initiative Groups (LIGs), through which projects related to tourism development and construction of tourist attractions can be implemented. On the other hand, a serious challenge for tourism development is the significant transport and utility isolation, the lack of public services and up-to-date information opportunities, as well as the isolation from modern leisure services.

Regional economic development of Silistra region. In socio-economic development, the key economic sectors in Silistra District are the services and agricultural sectors, which generate the majority of GVA (76%) by 2022. GVA in the services sector grew significantly by 14%, reaching BGN 339.9 million. In the municipalities of Alfatar, Glavinitsa and Kaynardja all operating firms are micro and small. In the remaining municipalities, micro, small and medium firms are represented, with the number of medium firms ranging from 3 (Sitovo) to 26 (Silistra). In the municipality of Silistra, in addition to SMEs, there are 10 large enterprises. The labour market situation shows that the economically active persons aged 15-64 in Silistra region are 37.8 thousand, of which 21.2 thousand are men and 16.6 thousand are women. The economic activity rate (15-64 years old) is 67.0% and increases by 2.8 percentage points compared to 2022. The employed population aged 15-64 in Silistra District in 2023 is 33.2 thousand, of which 18.3 thousand are men and 14.9 thousand are women. The employment rate for the same age group is 58.8% (vs. 70.7% for the country), 63.5% for men and 53.8% for women, respectively. Compared to 2022, the employment rate increases by 2.1 percentage points. The development of the local labour market remains unsatisfactory in 2021. Economic activity is increasing but remains relatively low at 65.4% (compared to 72.0% nationally). This increase is accompanied by an increase in employment and a decrease in unemployment, but both indicators for the district remain significantly less favourable than the national average. The employment rate is 55.8% (vs. 68.1% nationally) and the unemployment rate is 14.7% (vs. 5.3% nationally). It is important to note that a significant role in the pulling development of Silistra region can be given by the development of crop, livestock and fruit farming in the region, as well as the creation of small and medium-sized enterprises in the food industry. This will create conditions for growth and for attracting domestic and foreign investment. This, in turn, will encourage the faster construction of gasification (which is to be carried out in the Silistra region), the construction of Danube Bridge 3 (Silistra-Cularasi) and, in connection with it, the construction of the I-7 expressway (Silistra-Shumen-Yambol-Lesovo BCP). It is the large infrastructure projects that will give the impetus to overcome the peripheral location of the region in national and international terms/

State of demographic indicators in Silistra district. As of 31 December 2021, the population of Silistra District is 104 869 people, **which** represents 1.5% of the country's population. Compared to 2020, the population of the district decreases by 1 983 people or by 1.9%. The number and structures of the population at the end of each year are calculated on the basis of the data from the previous year and the data on natural and mechanical population movement in the current year. This is according to the NSI. In 2021, a census of population and housing stock in the country was conducted. According to the Census 2021 estimate, the estimated number of population permanently residing in the territory of Silistra District as of 7 September 2021 is 91 546 people. Nearly 12,000 people were omitted from the census for a number of reasons. But in general we can report that for the last 10 years the district has lost part of its demographic potential. On the other hand, the difference between the data on population numbers and

structures from the current demographic statistics and the censuses is mainly due to unrecorded external migration during the ten-year period between the censuses. One of the main tasks of population censuses is to establish the actual number of persons residing in the country. Therefore, in the years following the censuses, recalculations of the population are made on the basis of the results obtained from the census and the natural and mechanical growth data obtained from the current vital statistics for the years concerned. After the final input and processing of the 2021 Census data, the population will be recalculated on the basis of the census population. The recalculation will cover a ten-year period, and key demographic indicators will be revised.

In 2021, 791 births were registered in Silistra District, of which 786 (99.4%) were live births. Compared to the previous year, the number of live births decreased by 10 children, or by 1.3%. The total fertility rate in Silistra District in 2021 is 7.4‰, while in the previous years 2020 and 2019 it was 7.4 and 8.2‰, respectively. The municipalities with the highest fertility rate are Kainardzha (12.3‰) and Dulovo (9.2‰), while the municipalities with the lowest are Silistra (6.0‰) and Sitovo (6.0‰).

The number of live births of boys (421) is 56 more than the number of live births of girls (365), or 867 live births of girls per 1 000 live births of boys in Silistra District. In towns and villages the number of live births is 299 and 487 respectively. The birth rate in towns is 6.5‰ and in villages - 8.2‰.

The number of deaths in 2021 is 2 712 and the total mortality rate is 25.6‰. Compared to the previous year, the number of deaths increased by 410 cases, or by 17.8%. The mortality rate among men (27.4‰) continues to be higher than the mortality rate among women (24.0‰). In 2021, 1,085 men die for every 1,000 women. Mortality rates among urban and rural populations are almost equal. The mortality rate in urban areas is 25.1‰ and in rural areas 26.0‰.

The municipalities of Alfatar and Sitovo have the highest mortality rate (32.7‰). The lowest indicator is in the municipality of Kajnardja - 15.5‰.

In 2021, 10 children under the age of one died in the district, and the infant mortality rate was 12.7‰. All these data are extracted from the website of the National Statistical Institute (NSI) and are available on the website of the institution. Careful analysis shows that the difference between live births and deaths represents the natural population growth. Since the early 1990s, the demographic development of the district has been characterised by negative natural population growth. In 2021, as a result of the negative natural growth, the population of Silistra District decreased by 1 926 people. The population decrease, measured by the natural growth rate, is minus 18.2‰. The natural growth rate in both cities (-18.6‰) and villages (-17.8‰) is almost equal, or the population decrease in Silistra District as a result of natural growth is due to the negative demographic trends in both cities and villages. The population change in Silistra District as a result of external migration, measured in comparative terms of the net migration rate, is -0.5‰. net migration coefficient in cities is -1.3‰, and it continues to decrease, while in villages it is maintained to 0.0‰.

In practice, Silistra District has serious reserves in the agricultural sector. Unfortunately, there are a number of obstacles that prevent the region from being an agricultural leader. First of all, it is necessary to take steps to build a branch of the Agrarian University of Plovdiv in Silistra, which would train personnel for agriculture and increase the agrarian culture and knowledge of the population. This will allow to look for opportunities to grow the population and attract young people to the district. Currently, there is a shortage of quality personnel in the region with the capacity to develop intensive agriculture and the

resulting economy. Provided that there is a relevant university centre, it will be possible to attract students from Romania, Moldova and Ukraine to exchange experience and knowledge, which will also contribute to making Silistra a leader in Bulgarian agriculture. Of course, such a move must be supported by the state and the mayors of local municipalities. Typical of economically less developed districts, the average level of local taxes in Silistra District is relatively low. In 2022, all local taxes considered are lower than the national average. The largest differences are in the levels of rates on retail trade, on vehicles and on taxis. Within the district, the lowest average tax rates are in the municipalities of Kainarja, Alfatar and Sitovo, and the highest in the municipality of Dulovo.

Trends in the regional development of Silistra region. Data from the current situation analysis show that the district needs to accelerate its socio-economic development and incentives to overcome unemployment, generate growth and employment. In 2023, the total number of employed persons in Silistra District is 34.4 thousand, of which 19.1 thousand are men and 15.3 thousand are women. In terms of the number of employed persons, Silistra District ranks 27th among all 28 districts in the country. The employment rate for the population aged 15 and over in the district in the third quarter of 2023 is 41.7% (compared to 53.9% nationally), with 48.6% for men and 35.4% for women. There is also a need for an integrated approach to territorial development. This means an appropriate combination of policies and measures affecting economic, natural and cultural, infrastructural and human potential. The needs for "corrective" and "supportive" public interventions in the development of the area have increased in recent years. A new territorial targeting of measures and improved coordination are needed to achieve lasting and tangible changes in desired directions and successful implementation of regional development objectives and priorities. At the same time, account should be taken of the fact that the many problems and needs identified in the socio-economic analysis of the territory of the region cannot be solved within the programming period and beyond 2020. Efforts to be made in the coming years, in all areas of public life, should be oriented towards keeping the people in the area who can bring about the desired change. A set of priorities, measures and activities is envisaged to realise the strategic objectives, targeting several main areas of impact, notably by improving the business environment and promoting economic growth. Attracting investment, innovation, higher employment, incomes and living standards. Improving the living environment, better accessibility, connectivity, improved infrastructure, accessible services, preservation and enhancement of the natural and cultural assets in the area. Preserving demographic potential and human resource development with special attention to young people and limiting early school leavers, increasing the number of young people with higher education and retaining them to live and work in the area.

There are a number of economic potentials in the area - manufacturing industry and linkage with the agricultural sector, entry of modern information services on the market, rich cultural, historical and natural heritage as a basis for the development of tourism and "green" industries, etc., which should receive timely and adequate support in the next period, including from EU funds. These conclusions also determine the guidelines for the formulation of appropriate economic priorities and investment measures to improve the state of the regional economy. The preserved natural environment in a relatively good condition, as well as the objects of environmental protection measures, should be better integrated into the overall efforts to develop the economic and social potential of the region, by seeking new opportunities for the exploitation of natural potential on the basis of "green" technologies; - More

resources should be planned for nature protection and prevention of pollution risks, by improving the waste management system, reclamation of contaminated sites and protection of water and soil. Depending on the regional needs and traditions and the potential of the cities, the construction of new, the reconstruction and the modernisation of existing business and production zones will be supported. The strengthening of existing micro, small and medium-sized enterprises, the development of entrepreneurship and the creation of new firms require a reduction of the administrative burden, the improvement and development of modern business services and the implementation of effective financial engineering and credit schemes, including those provided by the public sector on the basis of modern information technology. Activities that can support this measure include the establishment of business information centres, business incubators (especially for innovative and export-oriented firms), support for the formation of clusters in the industrial, agricultural and service sectors, provision of information and encouragement of participation in business credit and financial engineering schemes, support for the implementation of quality management systems and product certification. In order to ensure economic and social stability and development of the district in the long term, it is necessary to plan activities to ensure the district's adaptation to climate change and reduction of natural risks to acceptable levels, as well as to stimulate research to predict local impacts of climate change (Bachev, H., Ivanov, B., Toteva D., & Sokolova, E. 2017).

The performance of Silistra district on educational indicators is unsatisfactory. The enrolment rate in grades V-VII in 2021 is significantly lower than the national average - 77.8% compared to 85.9%. The repetition rate is still relatively low, but the dropout rate from primary and secondary education is relatively high. The number of teachers continues to increase and is again above the national average. There are 111 teachers per thousand pupils in the district, compared with 97 per thousand in the country. The performance of students in Silistra district is comparatively weak in 2022. The average score in the national external assessment in mathematics after grade 7 remains relatively low at 26.9 points (compared to 35.3 points in the country). The average grade in the Bulgarian language and literature exam is "Good" 3.65 (compared to "Good" 3.97 in the country). The share of poor grades is 20.1% (vs. 17.0% in the country).

Improved transport accessibility and electrification of the railway network after Tsar Samuil station, as well as in the direction of Silistra, with opportunities for the construction of large logistics centers at Dulovo and Alfatar, will facilitate the development of the mining industry (quarry materials) and the development of kaolin deposits in the Dulovo area. This in turn will increase the importance of this sub-sector in the industrial production of the region. By the way, it is the manufacturing sector that functions best in the industrial sphere even now.

CONCLUSION

A careful analysis shows that the main difficulties facing Silistra are related to the continuation of the crisis processes in demographic development and depopulation. This means that the formulation of the strategic guidelines affecting the policy-making and development planning process of the municipalities in the Silistra region should be carried out in cooperation and partnership with the local authorities, socio-economic partners and local communities. This interaction is necessary for the effective preparation and implementation of a comprehensive policy for regional and local development in the

district. Municipalities have a key role to play in mobilising local resources and capacities to achieve the overall development objectives of the district. Strengthening the integrated spatial approach in the development planning process will require the development of spatial development concepts and schemes for the territory of the district and the municipalities, which, together with the spatial plans of the municipalities, will outline the visions and guidelines for the development of the settlement network and the renewal of settlements and especially urban centres, the identification of growth and employment generation areas, the problems of the peripherality of the district of Silistra and regional connectivity with it. A good solution in this respect would be the establishment in Silistra of a technology and innovation zone for cross-border development in different sectors of the economy, which would overcome the continuing isolation on both sides of the border (Danube) between Bulgaria and Romania. In the history of the Bulgarian state, the Silistra region has always played an important and often a key role.

ACKNOWLEDGMENTS

The publication is part of the project "Regional studies of the territory of North-Eastern Bulgaria - Phase 1" ent. No. RD-08-117/31.01.2024

REFERENCES

Alieva, A. (2022). Influence of the CAP on innovation factors in agriculture. *Journal of Bio-based Marketing*, vol.1, 2022, 23 – 41, ISSN 2683-0825

Bachev, H., Ivanov, B., Toteva D., & Sokolova, E. (2017) Agrarian sustainability in Bulgaria - economic, social and ecological aspects. *Bulgarian Journal of Agricultural Science*, 23(4), 519-525
Vladev, I., N. Ilieva. (2017) Prognoza na naselenieto v zonata na gravitatsiya na grad Shumen do 2050 g. (parva chast). // *Problemi na geografiyata*, S.,

Dokova, S. K. Petrov, (2014) *Geodemografiya*, UI "Stopanstvo" 2014

Integrated Territorial Development Strategy of the North Central Region 2021-2027

Petrov, K. (2020) *Regionalna demografiya*. UI Stopanstvo,

Petrov, K. (2016) *Geoikonomicheskoto znachenie na Silistrenska oblast za regionalno razvitie na Balgariya*, sp. Geopolitika.

Regional plan for the development of the Northern Central rayon for the period 2014-2020.

Stoeva, T, Marinov, P. (2015), Prospects of economic and natural and climatic conditions for the development of Bulgarian agriculture in the global crisis, *Problems of Economic development in the Global crisis*, collection of scientific articles, Scientific journal "Economics and Finance" and Agricultural University-Plovdiv 2015

The regional strategy for the development of Silistrenska oblast in the period 2014-2020.

Tsonkov, N. (2021), "Assessment of Bulgarian municipalities in providing basic services and shaping the local business environment", *Ekonomika a spoločnosť*, vol.24, no.1, pp.108, 2023.

Vladev, I. (2017) Spatial aspects of the unemployment in gravitation zone to Shumen city - main centre of gravity // *Journal Homepage: www.SocioBrains.com*. ISSUE 38, October 2017, pp. 108 - 123, ISSN 2367-5721

APPLICATION OF AI FOR CRM OPTIMIZATION AND SUSTAINABLE AGRIBUSINESS DEVELOPMENT

Plamen Ruskov¹

¹E-mail:plamen.ruskov@gmail.com, Doctoral student New Bulgarian University, Sofia, Bulgaria, Montiveideo 21, 1618, Sofia

ABSTRACT

In an evolving global business ecosystem highlighted by significant innovation and escalating competitiveness, the imperative for organizations to embrace change has never been more stark. This reality is particularly pronounced in the agribusiness sector, where the strategic fusion of artificial intelligence (AI) with customer relationship management (CRM) heralds a new dawn of efficiency and adaptability. The integration of AI into CRM systems is a testament to this transformation, presenting a robust strategy for navigating the intricacies of global agricultural markets and unleashing unprecedented opportunities to increase customer engagement, operational agility and market agility. The use of AI within CRM extends beyond conventional data analytics, heralding a new era of customer interaction and understanding. This synergy enables a detailed understanding of customer behavior, preferences and needs, tailored to the diverse and dynamic global agricultural landscape. By facilitating personalized experiences at an unprecedented scale, AI equips agribusiness with predictive insights, driving nuanced strategic decision-making. As agricultural markets continue their march toward greater sophistication, adopting AI-enhanced CRM strategies is emerging as a forward-looking step. This approach not only ensures the cultivation of lasting customer relationships, but also positions agribusiness at the forefront of innovation, providing a competitive advantage in an increasingly digital, interconnected and sustainability-conscious world.

KEYWORDS: sustainable development, optimization, agribusiness

ABSTRAKT

In einem sich entwickelnden globalen Geschäftsumfeld, das von bedeutenden Innovationen und eskalierendem Wettbewerb geprägt ist, war die Notwendigkeit für Unternehmen, sich auf Veränderungen einzulassen, noch nie so deutlich wie heute. Diese Realität ist im Agrarsektor besonders ausgeprägt, wo die strategische Verschmelzung von künstlicher Intelligenz (KI) mit Kundenbeziehungsmanagement (CRM) eine neue Ära der Effizienz und Anpassungsfähigkeit einläutet. Die Integration von KI in CRM-Systeme ist ein Beweis für diesen Wandel. Sie stellt eine robuste Strategie dar, um die Feinheiten der globalen Agrarmärkte zu navigieren und ungeahnte Möglichkeiten zur Steigerung der Kundenbindung, der betrieblichen Agilität und der Marktflexibilität freizusetzen. Der Einsatz von KI im CRM geht über die herkömmliche Datenanalyse hinaus und läutet eine neue Ära der Kundeninteraktion und des Kundenverständnisses ein. Diese Synergie ermöglicht ein detailliertes Verständnis des Kundenverhaltens, der Vorlieben und Bedürfnisse, das auf die vielfältige und dynamische globale Agrarlandschaft zugeschnitten ist. Durch die Ermöglichung personalisierter Erlebnisse in einem noch nie dagewesenen Ausmaß gibt die KI der Agrarindustrie vorausschauende Erkenntnisse an die Hand, die eine nuancierte strategische Entscheidungsfindung ermöglichen. Da die Agrarmärkte immer anspruchsvoller werden, ist die Einführung von KI-gestützten CRM-Strategien ein zukunftsweisender Schritt.

STICHWORTE: Nachhaltige Entwicklung, Optimierung, Agroindustrie

RÉSUMÉ

Dans un écosystème commercial mondial en pleine évolution, marqué par une innovation importante et une compétitivité croissante, l'impératif pour les organisations d'adopter le changement n'a jamais été aussi fort. Cette réalité est particulièrement prononcée dans le secteur de l'agroalimentaire, où la fusion stratégique de l'intelligence artificielle (IA) et de la gestion des relations avec la clientèle (GRC) annonce une nouvelle ère d'efficacité et d'adaptabilité. L'intégration de l'IA dans les systèmes de CRM témoigne de cette transformation, en présentant une stratégie solide pour naviguer dans les méandres des marchés agricoles mondiaux et en libérant des opportunités sans précédent pour accroître l'engagement des clients, l'agilité opérationnelle et l'agilité du marché. L'utilisation de l'IA dans le cadre de la gestion de la relation client va au-delà de l'analyse conventionnelle des données, annonçant une nouvelle ère d'interaction et de compréhension des clients. Cette synergie permet une compréhension détaillée du comportement, des préférences et des besoins des clients, adaptée au paysage agricole mondial diversifié et dynamique. En facilitant les expériences personnalisées à une échelle sans précédent, l'IA dote l'agro-industrie d'informations prédictives, ce qui favorise la prise de décisions stratégiques nuancées. Alors que les marchés agricoles poursuivent leur marche vers une plus grande sophistication, l'adoption de stratégies de gestion de la relation client renforcées par l'IA apparaît comme une étape tournée vers l'avenir.

MOTS-CLÉS: développement durable, optimisation, agroalimentaire

INTRODUCTION

There are many interpretations of what constitutes digital transformation. This is due to several facts. The level and development of technologies are one of the prerequisites for it to happen, and they are changing at an extremely fast pace, which in turn leads to the constant modification of the understanding of the world of digital transformation. The readiness of each enterprise and the alternatives before it to go through this transformation is the other aspect that nuances and constantly changes the term. However, the core of the concept remains largely unchanged – digital transformation is the process of using digital technologies to create new or modify existing business processes, culture and customer experience to

Nature and objectives of CRM and CRM strategies. Customer relationship management (CRM) is a well-established business strategy that has attracted increasing attention in recent years. Although there are numerous definitions of CRM, there is no single, universally accepted definition. The study of the specialized literature in this field shows the existence of many different schools and directions (Stanimirov 2010; Götz et al. 2016, S. 412; Payne & Frow 2008), which define CRM both very narrowly and very broadly. Boevki and Sarov, 2021 present an in-depth review of the multifaceted nature of customer relationship management (CRM). They emphasize that the incorporation of CRM into organizational structures is comprehensive, emphasizing its role as a connective tissue linking different business functions. This complexity is compounded by the fact that CRM is based on a rich body of theoretical and empirical research, which draws on a wide range of academic and practical tools and methodologies. Furthermore, the application of CRM transcends the boundaries of traditional business management, serving a dual purpose as a mechanism for operational efficiency and as a scientific endeavor for research and academic inquiry. It also addresses the consultation requirements and broader goals of the organization's stakeholders, thereby reinforcing its importance as a cornerstone of modern business strategy.

Considering definitions proposed by Kumar & Reinartz, 2019, Boevki & Sarov, 2021, Salesforce, 2022 and the rapid development of technology, as well as the evolution of customer behavior, for the needs of this publication I construct the following CRM definition: A high-tech, comprehensive business and marketing philosophy for managing processes and interactions with current and potential customers through all levels of the organization, channels and touchpoints that are realized during the entire customer life cycle, providing a better customer experience, increasing the value and profit of the organization. CRM covers all the ways a company manages its customer relationships - in sales, marketing, customer service and e-commerce and procurement. The foundation of CRM is customer orientation and focus on the customer at a local or international level.

An organization's goals derive from its vision for development, as well as its understanding and prioritization of internal and external processes. It is obvious that there is no universal definition of CRM and that multiple definitions exist, each emphasizing different aspects. However, despite the differences in detail, there is agreement regarding the levels of abstraction from which the objectives of CRM are viewed, as well as the underlying objectives at each level (Wolf, 2002, p. 82).

The main goals are related to long-term strategic development focused on sustainable growth as part of a holistic company concept. This involves formulating and implementing strategies that benefit both the firm and stakeholders while conserving resources for the future. Effective execution through strategic management facilitated by CRM supports sustainability and integrates its pillars. By establishing lasting relationships with customers, organizations can achieve secondary and tertiary objectives, with customer loyalty to sustainable practices leading to increased purchases and brand awareness.

Definition of Artificial Intelligence (AI). Artificial intelligence (AI) has for years symbolized the future, whether it's robots in the workplace, smart appliances, connected and integrated systems, or even an even deeper web of knowledge about customer behavior. This is also the reason why there are many definitions. Most often, they differ in which field AI is used as a concept. Here are some of the definitions that describe AI:

- Artificial intelligence (AI) is the concept of machines that “think like humans” – in other words, perform tasks such as reasoning, planning, learning and understanding language. (Salesforce, 2023);
- Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems. Specific applications of AI include expert systems, natural language processing, speech recognition, and machine vision. (Laskowski & Tucci, 2024)
- Machines that respond to simulations the way humans do, with the ability to contemplate, judge and deliberate. These systems are capable of making decisions that would normally require a human level of expertise. They have three qualities that make up the essence of artificial intelligence: intentionality, intelligence, and adaptability. (DataScientist, 2024)

Taking into account the cited definitions, I derive the following AI definition - Artificial Intelligence (AI) embodies the essence of machines designed to emulate human cognitive functions such as reasoning, learning, planning and understanding language. It simulates the processes of human intelligence through computer systems, applying these capabilities to tasks of all kinds and at all levels of processes.

Introduction and benefits of AI in CRM. The emergence of artificial intelligence (AI) is dramatically changing the business environment worldwide. AI's ability to learn, analyze, predict and automate is being applied across sectors, from streamlining repetitive operations to improving business forecasting. AI software development is an ongoing process, with companies looking for bespoke solutions to improve

operational efficiency, refine decision-making processes and drive growth. AI, in particular, has demonstrated a tremendous boom in the expansion of data-driven activities. Its capacity to quickly and accurately process massive volumes of data far exceeds human capabilities, positioning AI as an invaluable asset to any data-centric business operation.

Integrating artificial intelligence (AI) into customer relationship management (CRM) systems offers numerous benefits that can significantly impact a business's bottom line. From improving customer knowledge to streamlining operations, AI-enabled CRM is transforming the way businesses interact with their customers. In this way, several benefits stand out:

- Enhanced Personalization - Advanced algorithms facilitate enhanced personalization by dynamically adjusting content and marketing offers to align with individual user preferences, momentary needs and behavior;
- Real-time customer engagement through chatbots and voice assistants - Real-time processing technologies enable chatbots and voice assistants to interact with users in real-time, providing instant responses and support, thereby increasing customer engagement and satisfaction;
- Improved accuracy in predictive models of customer behavior - Machine learning techniques have greatly improved the accuracy of predictive models, enabling more accurate predictions of customer behavior and preferences based on historical data and interaction patterns;
- Automation of CRM tasks - AI-powered automation tools have streamlined CRM tasks, reducing manual labor and increasing efficiency by automating routine tasks and data analysis processes;
- Increase Return on Investment (ROI) - By leveraging data analytics and automation, businesses can optimize their strategies and operations, leading to improved decision-making, improved customer experience, and ultimately a significant increase in ROI.

RESULTS AND DISCUSSION

Expanding the integration of AI into precision agriculture, each component—from data analytics to irrigation management—plays a critical role in transforming farming practices. These improvements not only improve efficiency and productivity, but also contribute to sustainability and care for the environment.

Within the research, I identified the following aspects where AI has an impact on precision farming, as well as possible benefits of its use:

- **Data analysis and machine learning-** modern farms generate massive amounts of data through satellite imagery, field sensors and other IoT devices. This data includes information on soil moisture levels, nutrient content and crop health, which, when analyzed through AI and machine learning algorithms, can reveal patterns and insights previously unavailable to farmers. For example, machine learning models can predict crop yields with high accuracy by analyzing historical yield data along with input data for the current season. These forecasts enable farmers to make informed decisions about resource allocation, crop rotation and harvest schedules, thereby optimizing productivity and sustainability. Additionally, AI can identify early signs of disease or pest infestation, enabling targeted intervention that minimizes crop loss and reduces the need to use broad-spectrum pesticides (Wolfert et al., 2022).
- **Remote monitoring and use of drones-** Drones equipped with high-resolution cameras and advanced sensors have become invaluable tools in precision agriculture. These drones can quickly

cover large areas, capturing detailed images that, when processed with AI algorithms, provide a comprehensive view of crop health, growth patterns and areas requiring attention. AI-driven analysis of drone imagery helps detect variability within fields, identifying areas that are not performing well due to pests, disease or inadequate nutrients. This precision allows farmers to apply the right amount of inputs only where needed, reducing environmental impact and saving costs. In addition, drones are used to precisely apply pesticides and fertilizers, limiting exposure to chemicals and reducing runoff into neighboring ecosystems (Tzounis et al., 2022).

- **Automated machines-** AI is at the forefront of farm machinery automation, from self-driving tractors to robotic harvesters. These intelligent machines can perform various tasks such as planting, weeding and harvesting with minimal human intervention. AI algorithms control these machines, using data from on-board sensors and external sources to make real-time decisions. For example, automated planting equipment can adjust seed spacing and depth on the fly, optimizing each plant's growth potential. Likewise, smart harvesters can assess crop readiness and adjust their operations to minimize damage and waste. This automation not only increases efficiency and reduces labor costs, but also contributes to precision agriculture goals for sustainability by ensuring that farming practices are as accurate and resource efficient as possible (Liakos et al., 2022).
- **Irrigation management** - Irrigation systems controlled by artificial intelligence use data from weather forecasts, soil moisture sensors and crop models to optimize watering schedules and amounts. These intelligent irrigation systems can make real-time adjustments based on current crop needs and prevailing climate conditions, applying water exactly when and where it is needed. This targeted approach to irrigation conserves water—a critical resource in many agricultural regions—and ensures that crops are neither overwatered nor stressed by drought. Additionally, by maintaining optimal soil moisture levels, these systems help improve crop yields and quality. This use of AI in irrigation management is an example of how technology can support sustainable agricultural practices that are both economically and environmentally beneficial (Schimmelpfennig, 2022).

CONCLUSION

The strategic integration of artificial intelligence into customer relationship management systems means a fundamental shift in the agribusiness landscape, offering a blueprint for future innovation and market leadership. This merger not only revolutionizes the customer engagement paradigm within the agricultural sector, but also improves operational efficiency and strategic flexibility tailored to meet the unique demands of global agricultural markets. Through AI, CRM is evolving into a powerful tool for decoding complex customer data, enabling agribusiness to deliver a personalized, impactful experience. These technological advances are propelling the agricultural industry toward a future where data-driven insights inform sustainable practices, strategic decisions are made with precision, and competitive advantage is maintained through technological foresight. As digital transformation continues to reshape the agribusiness sector, merging AI with CRM strategies underscores a commitment to focus, innovation and sustainability, setting a new standard for excellence in global agricultural operations.

ACKNOWLEDGMENTS

This publication was developed in accordance with the implementation of the work program under the project "Cooperative models for doing business in Bulgaria and their potential for implementing innovative management solutions", financed by the "Scientific Research" Fund, "Fundamental Scientific Research-2022" competition. " - Contract No. KP-06-H65/1 - 12.12.2022. We express our gratitude to FNI.

REFERENCES

- Boevsky, Iv., A. Sarov, (2021). Introduction to CRM. University Publishing House "St. Kliment Ohridski" - Sofia
- DataScientist. (2024). Artificial intelligence: Definition. Retrieved from <https://datascientest.com/en/artificial-intelligence-definition>
- Goetz, O. & Hoffmann, A. & Scheer, B. & Nass, S. & Goehlich, F. (2007). Kundenkartenprogramme als Instrumente des wertorientierten Kundenmanagements.
- Kumar, V. & Reinartz, W. (2019) in Customer relationship management concept, strategy, and tools. Third. Berlin: Springer Berlin, pp. 5-185
- Laskowski, N., & Tucci, L. (2024). A guide to artificial intelligence in the enterprise. TechTarget. <https://www.techtarget.com/searchenterpriseai/definition/AI-Artificial-Intelligence>
- Liakos, KG, Busato, P., Moshou, D., Pearson, S., & Bochtis, D. (2022). "Artificial Intelligence in Agricultural Machinery: Driving Efficiency and Precision." *Agricultural Systems Technology Review*, 19(1), 47-64.
- Payne, A. & Storbacka, K. & Frow, P. (2008). Managing the co-creation of value. *Journal of the Academy of Marketing Science*, 36, 83–96.
- Salesforce (2022) What is CRM? Salesforce.com. <https://www.salesforce.com/eu/learning-centre/crm/what-is-crm/>
- SalesForce, (2022). Chapter 2: Examples of Digital Transformation, Available at: <https://www.salesforce.com/eu/products/platform/examples-of-digital-transformation/?d=cta-right-nav-2> , last visited on 15.07 .2022.
- SalesForce, (2022). What Is Digital Transformation? Available at: <https://www.salesforce.com/eu/products/platform/what-is-digital-transformation/>, last accessed 07/15/2022.
- Salesforce. (2022). State of Sales Report.
- Salesforce. (2023). AI for CRM: A Field Guide to Everything You Need to Know.
- Schimmelpfennig, D. (2022). "Irrigation Management in the Age of AI: Optimizing Water Use for Sustainable Agriculture."
- Stanimirov, E. (2010). Upravljenje na vzaimootnoshenyata s clientite – Kontseptualni osnovi, Nauka i ikonomika, Varna.
- Tzounis, A., Katsoulas, N., Bartzanas, T., & Kittas, C. (2022). "Drones and AI in Precision Agriculture: From Data Collection to Actionable Insights." *Sensors and Actuators in Agricultural Science*, 14(2), 115-134.
- Wolf, J. (2002). Customer Relationship Management: Conceptual Background and Its Role in Business Practice. Dissertation. Munich: University of Munich.
- Wolfert, S., Ge, L., Verdouw, C., & Bogaardt, M.-J. (2022). "Evolving AgriTech: The Intersection of AI and Precision Agriculture on a Global Scale." *Journal of Agricultural Informatics*, 23(4), 89-102.

PREREQUISITES (CONDITIONS) FOR APPLYING A MARKETING APPROACH BY BULGARIAN VEGETABLE PRODUCERS

Teodor Radev¹

¹E-mail: radev1974@abv.bg, Agricultural university of Plovdiv, Plovdiv, Mendeleev str.12, 4000, Bulgaria

ABSTRACT

One of the most important industries that have determined the appearance of Bulgarian agriculture is vegetable production. The current state of Bulgarian vegetable production is unfavorable. The production areas are decreasing, and the production cannot satisfy the consumption of vegetables in our country. The supply of Bulgarian vegetables faces many market challenges, which forces vegetable producers to look for a marketing approach to improve the market image of their products.

The purpose of the article is to outline the prerequisites for implementing marketing activities by Bulgarian vegetable producers.

Increasing the effectiveness of the implementation of marketing activities can only be achieved if the necessary prerequisites for this are created. The correct implementation of these activities requires individual vegetable producers to take action in the following directions: **first**, adoption of the marketing philosophy as a concept for managing vegetable production, both at the managerial level and by each of its employees; **secondly**, building the relevant structures to implement the marketing concept, through planning, implementation and control of marketing activities.

KEYWORDS: management, market, marketing activities, training, marketing unit

ABSTRAKT

Einer der wichtigsten Wirtschaftszweige, der das Erscheinungsbild der bulgarischen Landwirtschaft bestimmt hat, ist der Gemüseanbau. Der aktuelle Stand der bulgarischen Gemüseproduktion ist ungünstig. Die Produktionsflächen nehmen ab und die Produktion kann den Gemüseverbrauch in unserem Land nicht decken. Die Versorgung mit bulgarischem Gemüse steht vor vielen Marktherausforderungen, was Gemüseproduzenten dazu zwingt, nach einem Marketingansatz zu suchen, um das Marktimage ihrer Produkte zu verbessern.

Der Zweck des Artikels besteht darin, die Voraussetzungen für die Umsetzung von Marketingaktivitäten durch bulgarische Gemüseproduzenten zu skizzieren.

Eine Steigerung der Effektivität bei der Umsetzung von Marketingaktivitäten kann nur dann erreicht werden, wenn die notwendigen Voraussetzungen dafür geschaffen werden. Die korrekte Umsetzung dieser Aktivitäten erfordert von den einzelnen Gemüseproduzenten Maßnahmen in den folgenden Richtungen: erstens die Übernahme der Marketingphilosophie als Konzept zur Steuerung der Gemüseproduktion sowohl auf der Führungsebene als auch bei jedem ihrer Mitarbeiter; Zweitens: Aufbau der relevanten Strukturen zur Umsetzung des Marketingkonzepts durch Planung, Umsetzung und Steuerung der Marketingaktivitäten.

STICHWORTE: Management, Markt, Marketingaktivitäten, Schulung, Marketingeinheit

RÉSUMÉ

L'une des industries les plus importantes qui ont déterminé l'apparence de l'agriculture bulgare est la production maraîchère. La situation actuelle de la production maraîchère bulgare est défavorable. Les superficies de production diminuent et la production ne peut satisfaire la consommation de légumes dans notre pays. L'approvisionnement en légumes bulgares est confronté à de nombreux défis de marché, ce qui oblige les producteurs de légumes à rechercher une approche marketing pour améliorer l'image de leurs produits sur le marché.

Le but de l'article est de décrire les conditions préalables à la mise en œuvre des activités de commercialisation par les producteurs de légumes bulgares.

L'augmentation de l'efficacité de la mise en œuvre des activités de marketing ne peut être obtenue que si les conditions préalables nécessaires sont créées. La bonne mise en œuvre de ces activités nécessite que les producteurs de légumes individuels agissent dans les directions suivantes : premièrement, l'adoption de la philosophie du marketing comme concept de gestion de la production maraîchère, tant au niveau managérial que par chacun de ses employés ; deuxièmement, construire les structures appropriées pour mettre en œuvre le concept marketing, à travers la planification, la mise en œuvre et le contrôle des activités marketing.

MOTS CLÉS: gestion, marché, activités marketing, formation, unité marketing

INTRODUCTION

Increasing the effectiveness of the implementation of marketing activities can only be achieved if the necessary prerequisites for this are created (Borisov and Garabedian, 2020). The correct implementation of these activities requires individual vegetable producers to take action in the following directions: first, adoption of the marketing philosophy as a management concept for its vegetable production and trade, both at the managerial level and by each of its employees; secondly, building the relevant structures to implement the marketing concept, through planning, implementation and control of marketing activities.

Regarding the first direction (to adopt the marketing concept), there are problems with understanding its essence, which creates difficulties in its practical application. Although marketing, as a concept, has long entered the vocabulary of Bulgarian business, it is still considered too limited, without using its comprehensiveness in relation to the processes taking place in a business environment. Most often, marketing is identified with the advertising and distribution of any business, which are a small part of its elements, and their independent implementation would hardly compensate for non-implementation of activities on the other tools for influencing the market. As elements of marketing are considered - product, price, promotion and distribution (marketing mix), as well as market and internal company information, without which adequate decisions regarding the marketing mix cannot be made. In fact, the marketing process begins with the information flows that must be managed so as to provide the information needed by the business. Market information is the basis for making any management decision, which is why its purposeful search, collection, processing and storage for the needs of marketing management is imperative. Managers must appreciate not only the importance of information, but also that it must be purposefully sought, collected by appropriate methods, processed for further use and stored for future periods.

Targeted means to collect information about all elements of the external business environment (consumers; competitors; intermediaries; suppliers; economic environment; legal environment, etc.), and also about the state of the agricultural holding, according to the needs of management (Borisov, 2021).

Getting to know the processes and phenomena taking place in and around the agricultural holding makes it necessary to search for information about them, and for this purpose it is necessary to devote more time to these activities, and the collection of information should be the main priority in the work of marketing specialists or the structures created for coordinating marketing activities (Alieva and Garabedian, 2022).

The choice of methods for collecting information is another important point. Here, in addition to the existing possibilities of using printed and electronic publications, vegetable growers can initiate activities such as conducting surveys and focus groups, building a target network, etc., and through them information will be received in a timely manner.

In order for the collected information to be used, it is necessary to process it according to the needs of the solved problem. It must be systematized and understandable for all vegetable growers who will use it in their work. In this process, it is appropriate to attract external consultants who, with their expert skills, can assist vegetable growers in this unusual activity for them.

Information is also a costly resource, which is why its storage is important when using it. In this way, the business increases its database on which management decisions are made, and also avoids staff turnover shocks due to the fact that new employees often do not have the information they need. Therefore, every vegetable grower must have continuous and unlimited access to information in order to be able to use it at the right time.

It is these activities that form the basis of the implementation of the marketing concept. The marketing process begins with understanding the role of information and allocating the necessary resources for its provision.

Understanding the essence of marketing and the need to apply it in practice can be achieved through internal company training (Borisov and Popova, 2021). It should be conducted with all members of the farm staff, regardless of what they do and how they contribute to achieving business goals. However, it is reasonable to differentiate this according to the degree of staff involvement in marketing activities. Based on this criterion, the farm staff is divided into two groups: directly engaged and indirectly engaged. The first group includes managers, marketing specialists and salespeople who are directly responsible for the implementation of marketing activities. Their training emphasizes the full performance of these activities. Indirectly involved are that part of the staff that, through their actions, has an impact on the implemented marketing strategy. This includes workers engaged in the production process and performing production activities. The production of the product itself, satisfying consumer needs, requires all personnel to be familiar with the wishes and requirements of consumers, so that through their work they can support the ongoing marketing strategy by ensuring the production of such a product. Another important task when recruiting workers is to select those who possess the necessary qualifications and skills according to the needs of the marketing strategy being carried out. Working with financial institutions is an important part of the manager's work in order to secure the necessary financial means for the successful implementation of the chosen marketing strategy. Financial intermediaries must be aware of the opportunities of the agricultural holding and the direction of market development in order to support their realization. In general, in the financial field, the manager's work is related to cost management, which will allow the formation of a competitive price for agricultural products.

In individual structural units, training can also be differentiated by staff participation in the organizational management structure. Its classical division into: senior management staff, middle management staff, lower management staff and non-managerial staff is applicable in large agricultural holdings that have a large number of staff. For all others, two groups are formed: personnel with

managerial functions and personnel without managerial functions. Among them, a particularly important place is occupied by temporary staff, whose actions can affect the implementation of the marketing strategy. This imposes their motivation in the direction of compliance with the quality standards necessary to ensure its implementation. In general, the conduct of internal company training of the personnel must be tailored to the contribution of each of them in terms of the development, implementation and control of the marketing strategy.

The two characteristics considered provide the focus groups to which the agricultural holding should conduct training (Fig. 1).

management powers	degree of commitment	
	directly involved	indirectly involved
management staff	executive director marketing director	functional managers
not management staff	marketing specialists	everyone else

Figure 1. Differentiation of personnel as an object of internal company training. Source: Own interpretation.

Internal company training aims to clarify the nature and contribution of strategic marketing activities and marketing in general to the successful operation of the agricultural holding and the place of each member of staff in ensuring the implementation of the marketing strategy.

The training of the groups thus identified is a process containing certain actions (Fig. 2).

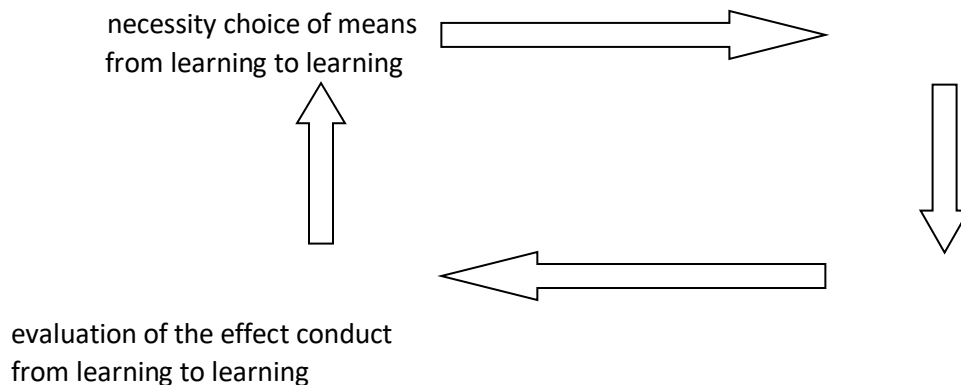


Figure 2. Process of internal company training. Source: Own interpretation.

First, determining training needs. On the basis of revealed problem fields in the work of the staff regarding the development, implementation and control of the marketing strategy, the required type of training is determined.

Second, once a training need has been identified, the appropriate training tool must be selected. Among the variety of training forms (courses, lectures, seminars, conferences, etc.), the one that is expected to have the greatest contribution to solving the problem field is chosen.

Third, conducting the training itself is no less important, and for this purpose the necessary resources must be provided to implement the established scope and direction of training.

Fourth, the evaluation of the effect of the training is essentially the feedback that provides information about the degree of solving the problem field as a result of training and is the basis for identifying a new one with which the process starts anew.

The next step in creating prerequisites for the implementation of marketing activities by vegetable producers is the construction of necessary structures. A study conducted (Radeva, 2021) among vegetable growers from the South Central region shows that they do not have a marketing specialist and rarely seek consulting help in this area. Conducting effective marketing activities requires the presence of competent specialists who are directly involved in business processes and responsible for marketing. Of course there is a difference between large and small farms. Small farms have a small number of staff, serve a specific market segment and offer small volumes of production, which is why it is appropriate for them to combine their efforts in the implementation of marketing activities by attracting one or two marketing specialists. While for large companies, it is advisable to build a unit, including more specialists, who specialize in the implementation of separate marketing activities. As in both cases, it is not just about their existence as a structural unit, but about the functions they perform. It is a common phenomenon that such units perform activities related only to the placement and advertising of the company's products, without being assigned other functions. It is here that farmers appreciate the role of marketing as a management concept, by delegating rights and responsibilities to all elements of the marketing mix and gathering market information. The marketing specialist must be involved in all stages from the creation to the sale of the product to the end user, using his awareness of market conditions. Only in this way would an agricultural holding orient its production according to the needs of the market, which would turn it into a market-oriented entity. Effective implementation of marketing activities is related to building a marketing unit. This requires the following sequence to be observed (Fig. 3).

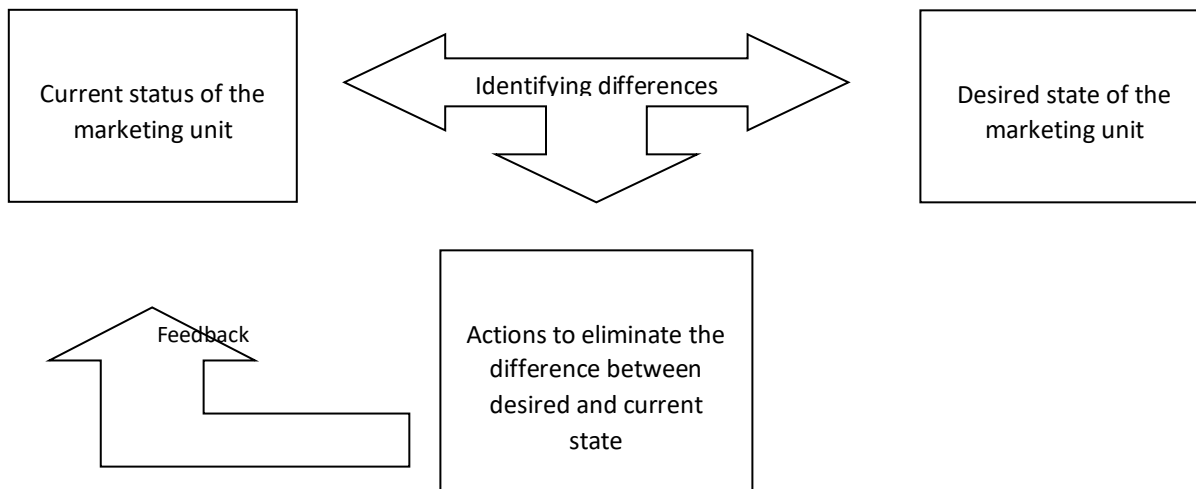


Figure 3. Sequence of actions for building a marketing unit. Source: Own interpretation.

First, establishing the current status of the marketing unit. In which it is determined: firstly, the availability of such a unit in the structure of the business and secondly, what rights and responsibilities are delegated to its employees.

Second, determining the desired state of the marketing unit. It corresponds to the two directions from the previous stage. Regarding the first direction, the characteristics of the agricultural holding itself, which are the target markets, attitude to marketing as a management concept, diversification of the activity are of decisive importance. In the second direction, the following tasks are solved:

1. Defining the objectives of the marketing unit based on the principles of marketing:

- identification of needs and requirements of existing and potential users;
- to develop and offer products that meet the identified consumer needs;
- increasing the effectiveness of marketing activities.

2. Defining the tasks performed by the personnel of the marketing unit. Here it is possible to make the following differentiations:

- analytical functions, including - determination of market factors; measuring market potential; short-term forecasting; long-term forecasting; consumer research; analysis of the internal capabilities of the agricultural holding; analysis of price levels; analysis of sales channels; competitive product research, etc.

- organizational functions, including - familiarization of the other functional units with the results of the performed analyses; coordinating actions with them regarding implementation of marketing principles; organizing the implementation of strategic marketing activities; organization of the logistics system; organization of accompanying services; organization of the communication impact of agriculture; sales organization, etc.

3. Distribution of marketing competencies among employees from the "Marketing" unit. Here one can choose one of the various organizational structures that exist in business practice (the most common departmental organization schemes are based on: functional orientation; product orientation; market orientation).

Third, on the basis of identified differences between the desired and the existing state of the marketing unit, actions are planned for their elimination. They can be building new structures in the marketing unit; improving the planning, organization, implementation and control of strategic marketing activities; improving the unit's coordination with other functional units, etc. After performing these actions, the marketing unit moves to a new current state, with which the process can start all over again.

Once the marketing concept has been adopted and the structural unit is provided with the necessary qualified specialists, which are prerequisites for increasing the effectiveness of implementing strategic marketing activities, it is necessary to proceed to their full implementation and strict adherence to their sequence.

CONCLUSION

Understanding the essence of marketing is an extremely important prerequisite for applying a marketing approach in agricultural business management. It is therefore useful to provide training, both to farmers and to all actors in the marketing chain. Managing interaction in the marketing chain requires building a fully functioning marketing unit to coordinate interrelated actions and plan the execution of marketing activities.

In this process, an important role is played by the farmer, who through his actions ensures effective implementation of the marketing strategy. The need for these actions depends on the quality of the applied marketing strategy – the higher it is, the more concentrated their scope will be.

In addition, it should be borne in mind that the prepared proposals must be adapted according to the characteristics of the agricultural holding and the markets it serves.

ACKNOWLEDGMENTS

The results published in the article are funded by National Scientific Program – “Intelligent Plant-growing”, 2021-2024, Ministry of Education and Science – Bulgaria, Sofia. The aim of the programme is to support basic and applied research to create models for robotic technologies, digital diagnostic and forecasting methods, and digital management of crop farms to ensure a sustainable and efficient food system. For further information, please visit the official website of the program – www.nnp-ir.bg

REFERENCES

- Alieva, A., H. Garabedian (2022). Analysis of innovations in agricultural holdings in Bulgaria. *Journal of Management Sciences and Applications* vol.1., 2022, 80-88, ISBN 2815-3030
- Borisov, P. & Popova, I. (2021). Approach to change management to achieve a stronger level of competitiveness of wine companies in Bulgaria. *Bulg. J. Agric. Sci.*, 27 (Suppl. 1), 3–9
- Borisov, P. (2021). Strategic analysis for identifying the sources of competitive advantages of wine companies in Bulgaria. *Journal of Bio-Based Marketing*, vol.1/2021, 5-23 ISSN 2683-0825
- Borisov, P., H. Garabedian (2020). The impact of the product strategy on the market share. The case of Bulgarian wineries. *Journal of Bio-Based Marketing*, vol.2, 2020, 42-50, ISSN 2683-0825
- Radeva, T. Marketing activities of the Bulgarian vegetable producers. *Agricultural Economics and Management*. 2021, No. 1

The Journal of Bio-based Marketing is not – profit organization situated in town of Plovdiv, Bulgaria.

The prime goal of the journal is to support the publishing activity and career development of young professionals in the field of bio-based marketing. The target are young experts, advisory agents, students and academic staff who is involved in the marketing process of bio-based products.

Managing Board

Professor Petar Borisov, DcS
Associate professor Teodor Radev, PhD
Professor Ivan Boevski, PhD
Assistant professor Fidan Qerimi, PhD

Adress: Osvobojdenie str. 33 Entr. A, Plovdiv, Bulgaria, 4000

E-mail: journalbiobasedmarketing@gmail.com

Phone number: +35932894627260

www.journalbbm.wordpress.com