



ALLA HRECHKO
DOCTOR OF ECONOMIC
SCIENCES,
PROFESSOR AT THE
DEPARTMENT OF ECONOMICS
AND ENTREPRENEURSHIP,
FACULTY OF MANAGEMENT
AND MARKETING
NATIONAL TECHNICAL
UNIVERSITY OF UKRAINE
“IGOR SIKORSKY KYIV
POLYTECHNIC INSTITUTE”

Background on Ukraine



Population: 42 million

Territory: 603.7 thousand km²

Bordering countries: Romania, Moldova, Hungary, Slovakia, Czech Republic, Poland, Belarus and Russia

Capital: Kyiv

GDP nominal: \$184.92 billion

GDP PPP: \$600.126 billion

GDP per capita nominal: \$4,958

GDP per capita PPP: \$14,146

Ukraine: Essential Facts



- Ukraine is the largest country in Central and Eastern Europe.
- Ukraine has 1/3 of the world's black soil, with 56% arable land.
- Ukraine ranks 4th in the world for education level of the population.
- Ukraine ranks 5th in the world for number of certified IT specialists.
- Ukraine covers 40% of world's production of manganese ores.

- Ukraine has the largest granite deposits in the world, holding 45% of the Earth's granite.
- Ukraine is one of the only 9 countries manufacturers of civil aircraft.
- Ukraine is among the 6 leading nations with aerospace programs.





Kyiv is the capital and largest city of Ukraine

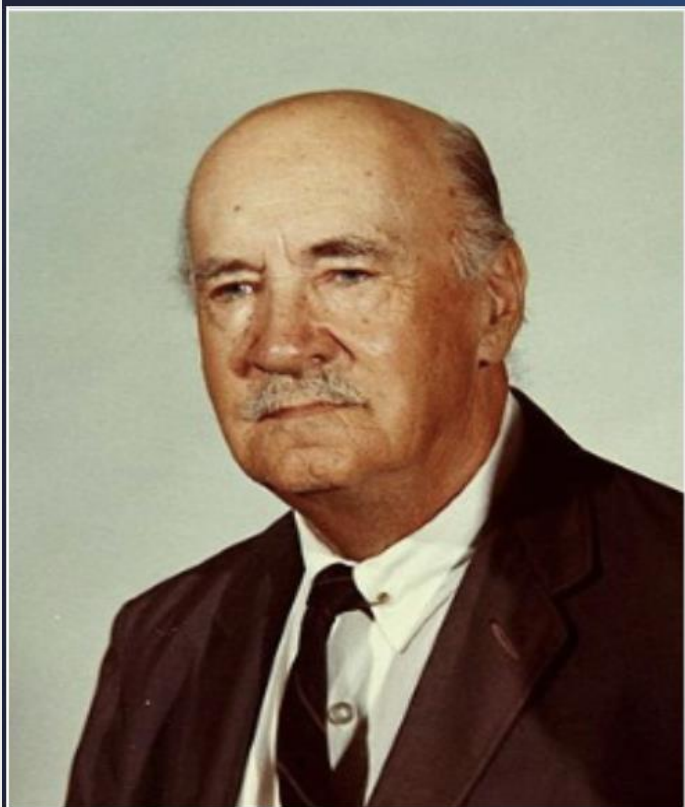
 Population: 3.2 million

Kyiv hosts many universities, the major ones being Kyiv National Taras Shevchenko University, National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute" and the Kyiv-Mohyla Academy



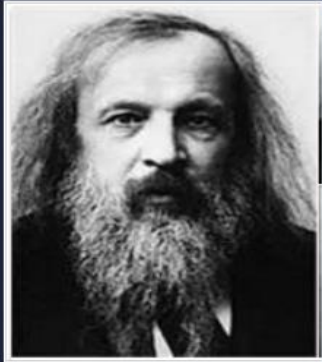
The Geniuses of Igor Sikorsky KPI

Igor Sikorsky – Aircraft designer and pilot



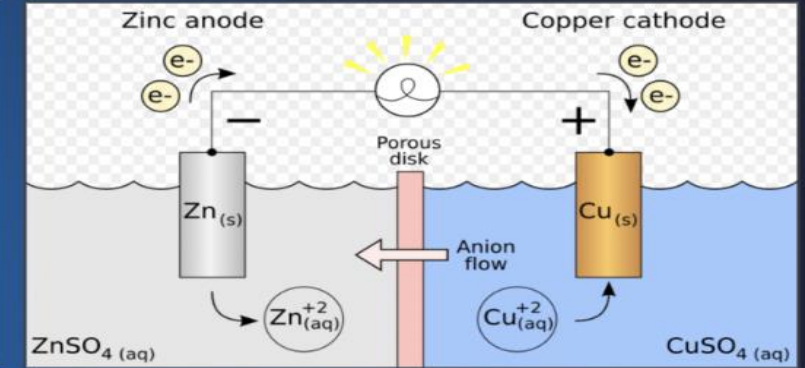
The Geniuses of Igor Sikorsky KPI

Dmytro Mendeleev – Physicochemist



The Periodic Table of the Elements

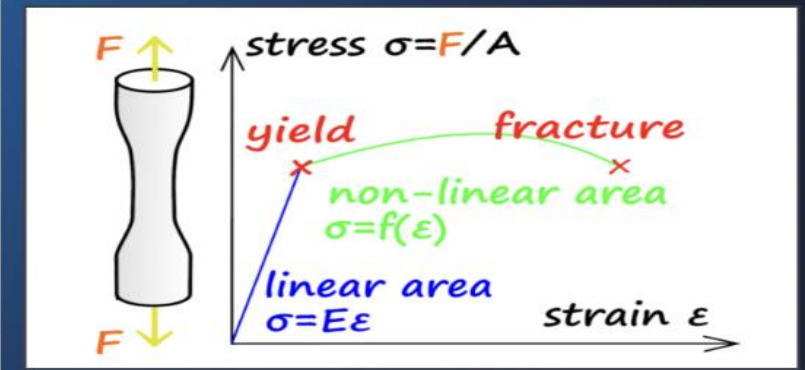
Volodymyr Plotnikov – Outstanding scientist electrochemist



Serhii Korolyov – Chief designer of space rockets

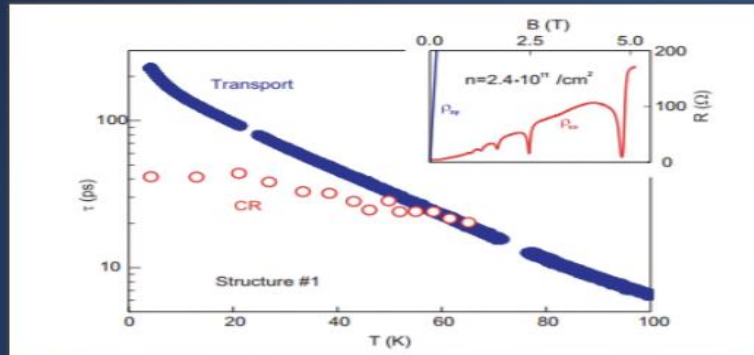


Stepan Tymoshenko – Elasticity and strength of materials

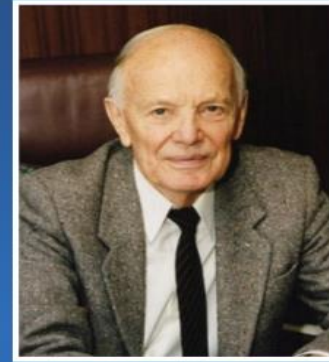


The Geniuses of Igor Sikorsky KPI

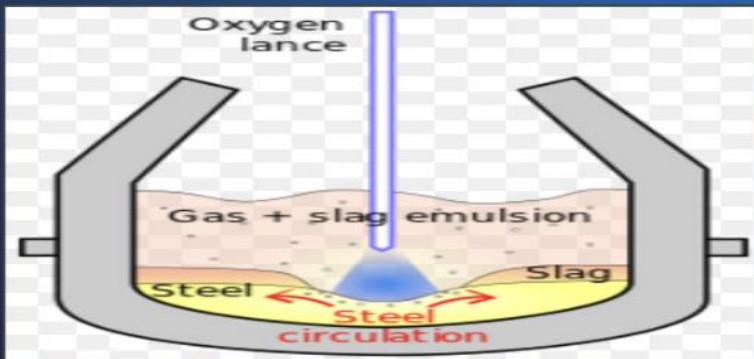
Vladyslav Kirpichev – Magnetoplasma excitations & effect of electron



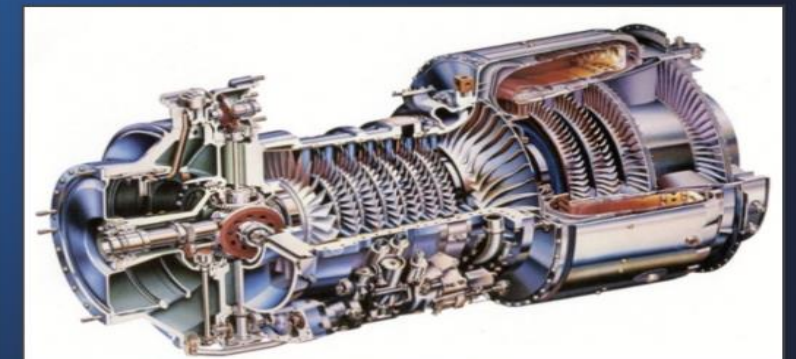
Borys Paton – Self-regulation of electrode melting



Ivan Bardin – Intensifying metallurgical processes via oxygen



Oleksandr Mikulin – Designer of aircraft engines





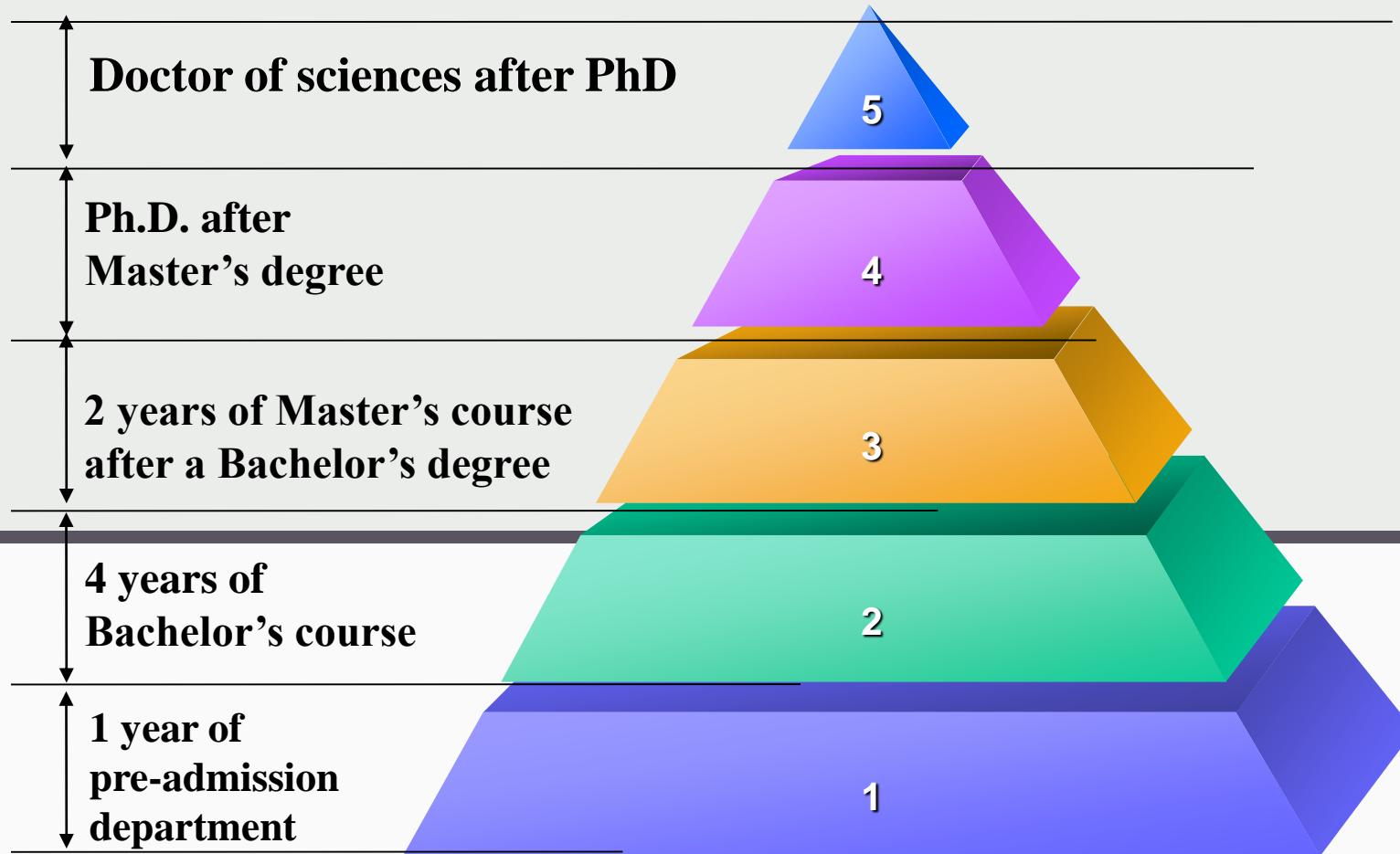
KYIV POLYTECHNIC was established in 1898.

Today, the KPI includes 18 faculties, 7 academic and scientific institutions, 12 research institutes and 14 research centers. For the university scientific and innovative activity take part more than 5,000 professors and scientists and more than 25, 000 students.

STUDENT CAMPUS



Levels of education



Representation of Igor Sikorsky KPI in international organizations



JOINT INTERNATIONAL CENTRES in KPI as bridges of cooperation

Joint educational-research laboratories



Joint Ukrainian-German mechanical engineering faculty
MAGDEBURG

Joint project
"DOUBLE DIPLOMA"
with TU Dresden



Ukraine-Japan Centre
of NTUU "KPI"

Ukrainian-Polish Centre

Ukrainian-Chinese Centre

Centre of business French language

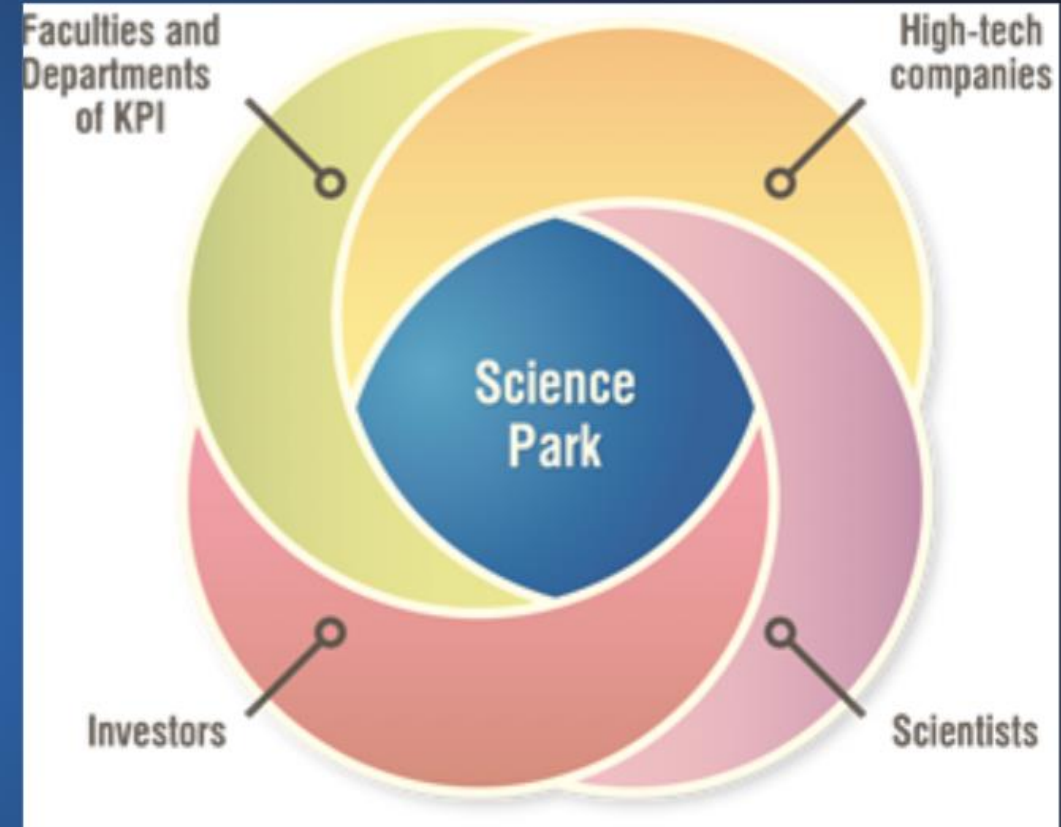
Ukraine-Israel Centre

Ukrainian-German Centre

Ukrainian-Korean Centre IT

Ukrainian-French Centre

Science Park "Kyivska Polytechnika"



www.spark.kpi.ua

Address: 37, Peremogy Ave.,
build. 1, suite 271 a, Kyiv, 03056, Ukraine

Phone/Fax: +38 044 406-84-39

E-mail: spark@spark.kpi.ua



All-Ukrainian Innovation Ecosystem «Sikorsky Challenge Ukraine»

Vision: the Innovation Ecosystem "Sikorsky Challenge Ukraine" is a model and driver of high-tech innovative development of Ukraine's economy.

Mission: to develop and maintain an environment where new ideas and innovative technologies are born, startup companies and small high-tech enterprises are created that bring new high-tech products and

Partners on local, regional and national levels



Science Park "Kyivska Polytechnika"



Startup School

"Sikorsky Challenge KPI"

International partners and representative agencies



gor Sikorsky Kyiv Polytechnic Institute

Universities & Startup Schools



International Festival of Innovation Projects "Sikorsky Challenge"



Innovation Holding "Sikorsky Challenge"

The word "strategy" is derived from the Greek word "stratēgos"; stratus (meaning army) and "ago" (meaning leading/moving).



Strategy is a general plan or set of plans intended to achieve something, especially over a long period.

Strategy is an action that managers take to attain one or more of the organization's goals. Strategy is a result of the detailed strategic planning process.

Strategy bridges the gap between "where we are" and "where we want to be".

Competitive strategy


! Competitive advantage in the marketplace against competitors.

It is aimed at creating defensive position in an industry and generating a superior ROI (Return on Investment). Such type of strategies play a very important role when industry is very competitive and consumers are provided with almost similar products.

4 types of Competitive strategy:

- **Cost Leadership;**
- **Differentiation leadership;**
- **Cost focus;**
- **Differentiation focus.**

**Corporate strategy
can be classified into
four different groups:**



1) *Growth strategy:*

Concentration (Vertical Integration,
Horizontal Integration);


Diversification (Horizontal diversification,
Concentric diversification, Conglomerate
diversification).

2) *Stability strategy:*

Status-quo strategies;

Profitability-driven strategy.

**Corporate strategy
can be classified into
four different groups:**



3) *Retrenchment strategy:*

Turnaround strategy;

Divestiture strategy.

4) *Re-invention strategy:*

Evolutionary strategies;

Revolutionary strategies.

Business strategy

Business strategy (business level strategy or business unit strategy) determines the direction of development for a particular business and customers/clients it is focusing on. Such aspects of a business strategy are profitability, sustainability, product/service offering, pricing, customer/client segmentation.

Functional strategy

Functional strategy determines the direction of development for particular organization function (HR, Contact Centre, Digital, Technology/IT) in the context of the entire organization (that is this function adds value to organization in general).

Operating Strategy

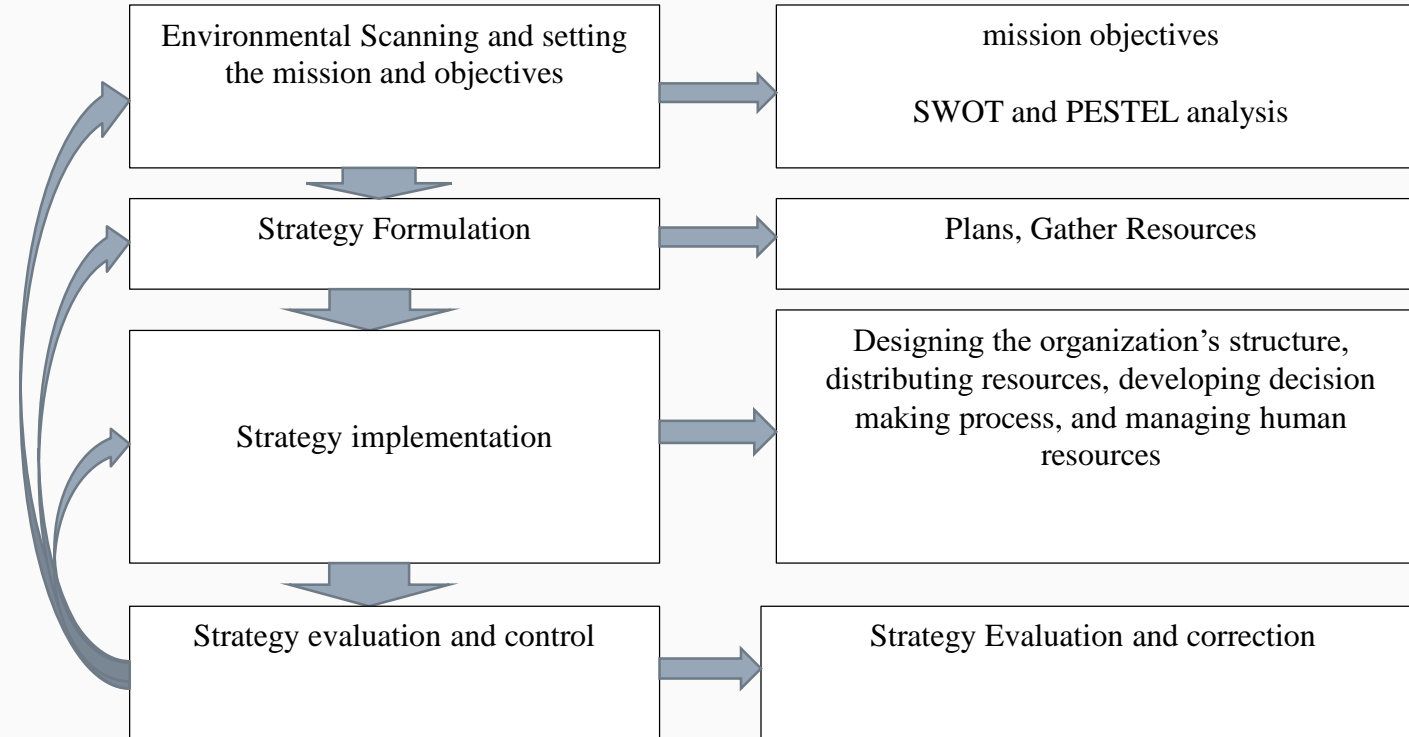
An operations strategy is a set of decisions an organization makes regarding the production and delivery of its goods.

Operational strategy involves refining and specifying a company's business strategy and developing strategic initiatives and operational plans.

For defining the organization's strategy and its implementation we need the effective strategic management process.

Strategic management - is the management of the organization based on human potential that focuses production on consumer demand, makes flexible regulation and timely changes in the organization according to the environmental impact, to achieve competitive advantage and goals in the long run.

Strategic management process has following four steps:





Mission statement is the role by which an organization intends to serve it's stakeholders.

Goals specify what must be done if an organization is to attain mission.

Example of mission:

Forbes: “To convene, curate and cover the most influential leaders and entrepreneurs who are driving change, transforming business and making a significant impact on the world.”

Tesla: “To accelerate the world’s transition to sustainable energy.”

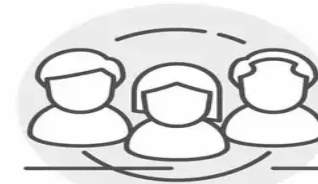
What is PESTEL Analysis?



Political



Economic



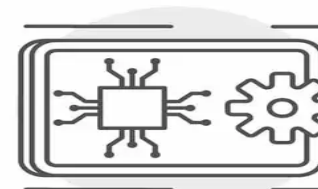
Social



Environmental



Legal



Technological

PESTLE

How to do a PESTEL Analysis?

- 1) **What do you think to have the potential to affect the running of your business?**
Answering this question will provide you with data to create a PEST analysis. You can search out relevant websites or read government and industry reports to collect data that can help you create a PESTEL analysis.
- 2) **Create diagram of your PESTEL analysis online using the diagramming software, Edraw Max. Sign up for free using your email, Facebook, or Twitter account.**
<https://www.edrawmax.com/online/en/>
- 3) **Once you sign in EdrawMax, click on New to start a new project. From the project categories, click on Strategy and Planning. Select and click on PESTEL Analysis. A list of templates will be displayed. Select any model of your choice to start creating your PEST analysis.**

Results



PESTEL Analysis of Starbucks



P

Political

- The tax policies and employment laws of a company can have a specific impact on its sales.

The government of many countries may have some laws which are ideal for businesses.

E

Economics

- Most of the developing countries are having an emerging economy.

The increasing cost of raw materials and labor charges can be a threat concerning the development of their business.

S

Sociological

- The changes in the lifestyle of the people and their choice of food can toll upon the company's sale.

The food items offered by the company are expensive considering their alternatives.

T

Technological

- The increasing technological aid can make the journey of coffee from the farm to the mug smoother and faster.

As smartphone purchases have increased, more people can access the delivery service to get their coffee from home.

E

Ecological

- The company's business can get affected if the growth of coffee suffers from insects, diseases, climate, or natural disasters.

The company can work on recyclable packaging which can be environment-friendly.

L

Legal

- The company needs to adhere to the employment rules and product safety regulations proposed by the law of the countries they are serving at that moment.

Licensing regulations and collisions with trade laws can hinder the expansion of the company.

What is SWOT Analysis?

SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. By definition, Strengths (S) and Weaknesses (W) are considered to be internal factors over which you have some measure of control. Also, by definition, Opportunities (O) and Threats (T) are considered to be external factors over which you have essentially no control.

Internal

Strengths

- What do we do well?
- What have our customers or partners told us they like about us?
- In what areas do we outpace our competitors?
- What's unique about our business, products, or services?
- What assets do we own? (Intellectual property, proprietary technology, capitol)

Weaknesses

- What can we improve?
- What are our customers or partners dissatisfied with?
- Where do we fall behind our competitors?
- Where are we lacking in knowledge or resources?

Opportunities

- What emerging trends can we take advantage of?
- Which of our strengths might be valuable to potential partners?
- What adjacent markets might we tap into?
- Are there geographic locations with less competition?

Threats

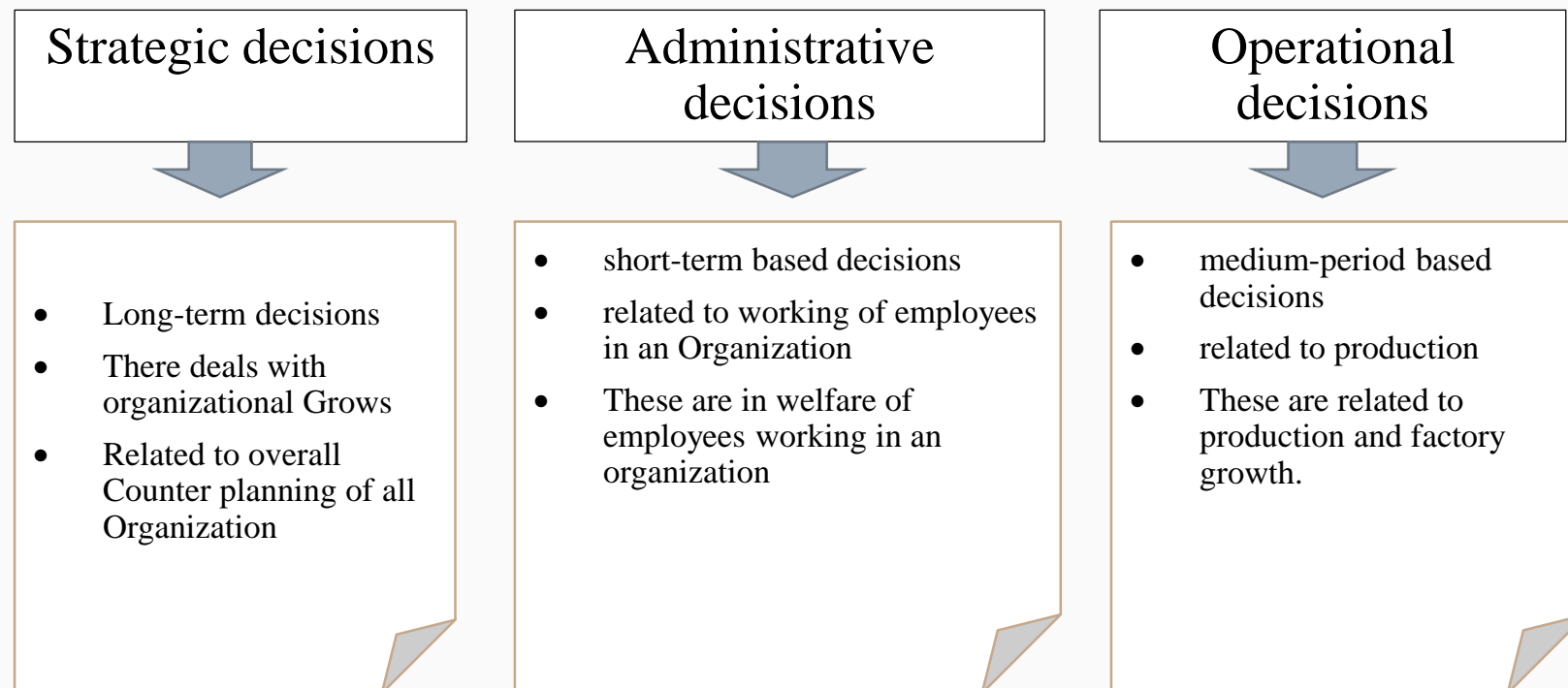
- What is our competition doing?
- How could our weaknesses leave us vulnerable?
- What market trends are we unprepared for?
- What economic or political issues could impact our business?

External

Positive

Negative

The successful implementation of the strategy depends on the effectiveness of decision-making at different levels.



In the implementation of the strategy it is important to determine the main following aspects:

to define the leaders and roles of the team;

to attract resources and resource allocation planning in the process of strategy implementation;

to prepare the team's progress reports;

to encourage and motivate team members;

to carry out current control of achievement the goals.

The company name: **AGROTECHSOYUZ LLC**

The key task of the current strategy of the enterprise is to provide agricultural producers with reliable equipment, professional service and quality spare parts for profitable management.

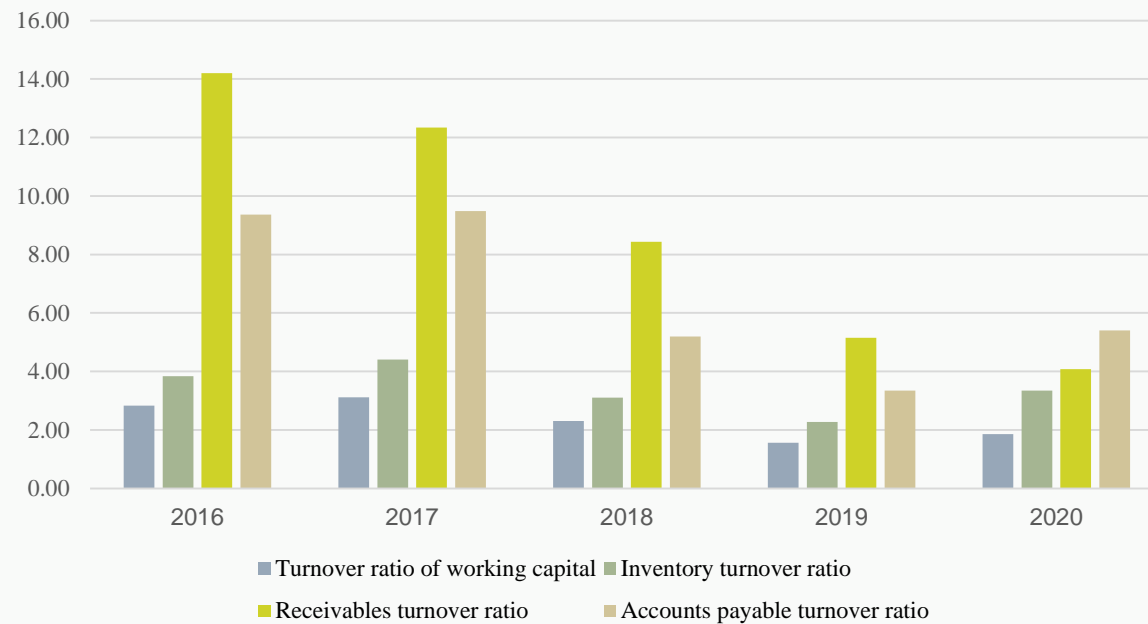
Achieving this goal is accompanied by an active social policy of the company - training for clients and staff, corporate parties and other events.

SWOT and **PESTEL** analysis were conducted for the company. It was found that the company is developing rapidly and is one of the leaders in the market.

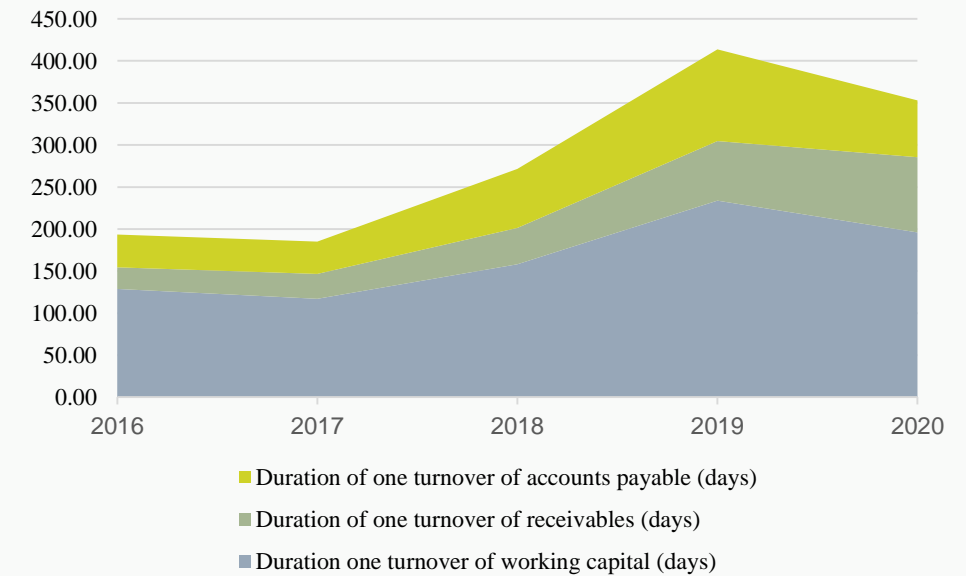
Also, before determining the further strategy, we analyzed the indicators of financial and economic condition.

Key indicators of the company's financial condition

Indicators of business activity

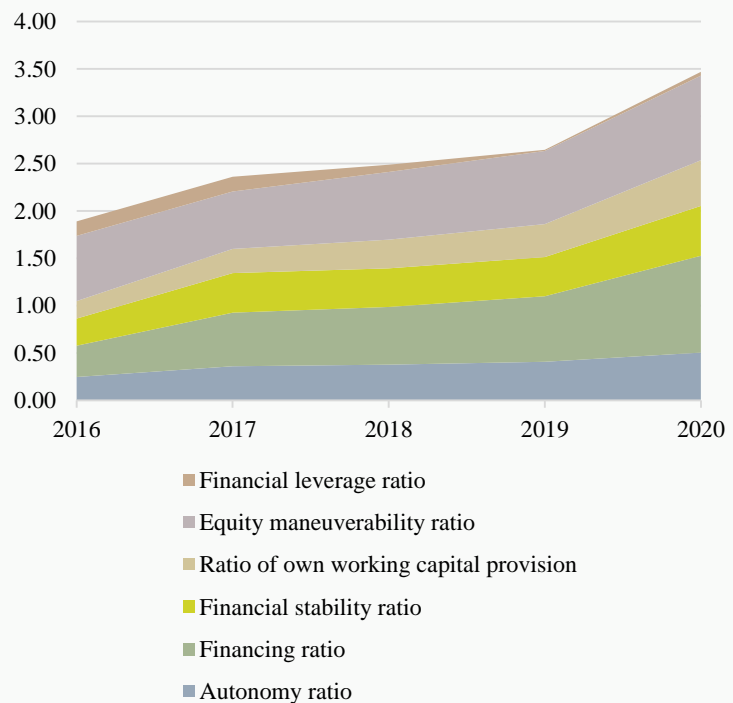


Indicators of business activity

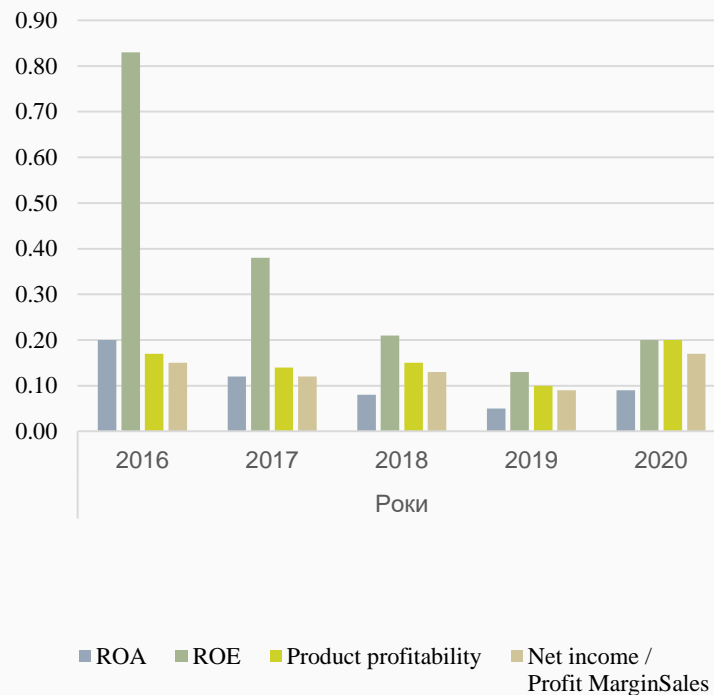


Key indicators of the company's financial condition

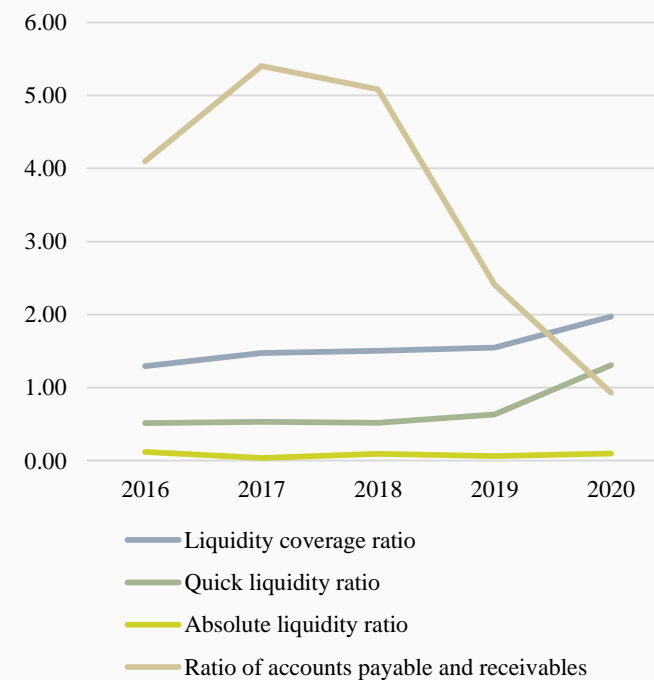
Indicators of financial stability of the company



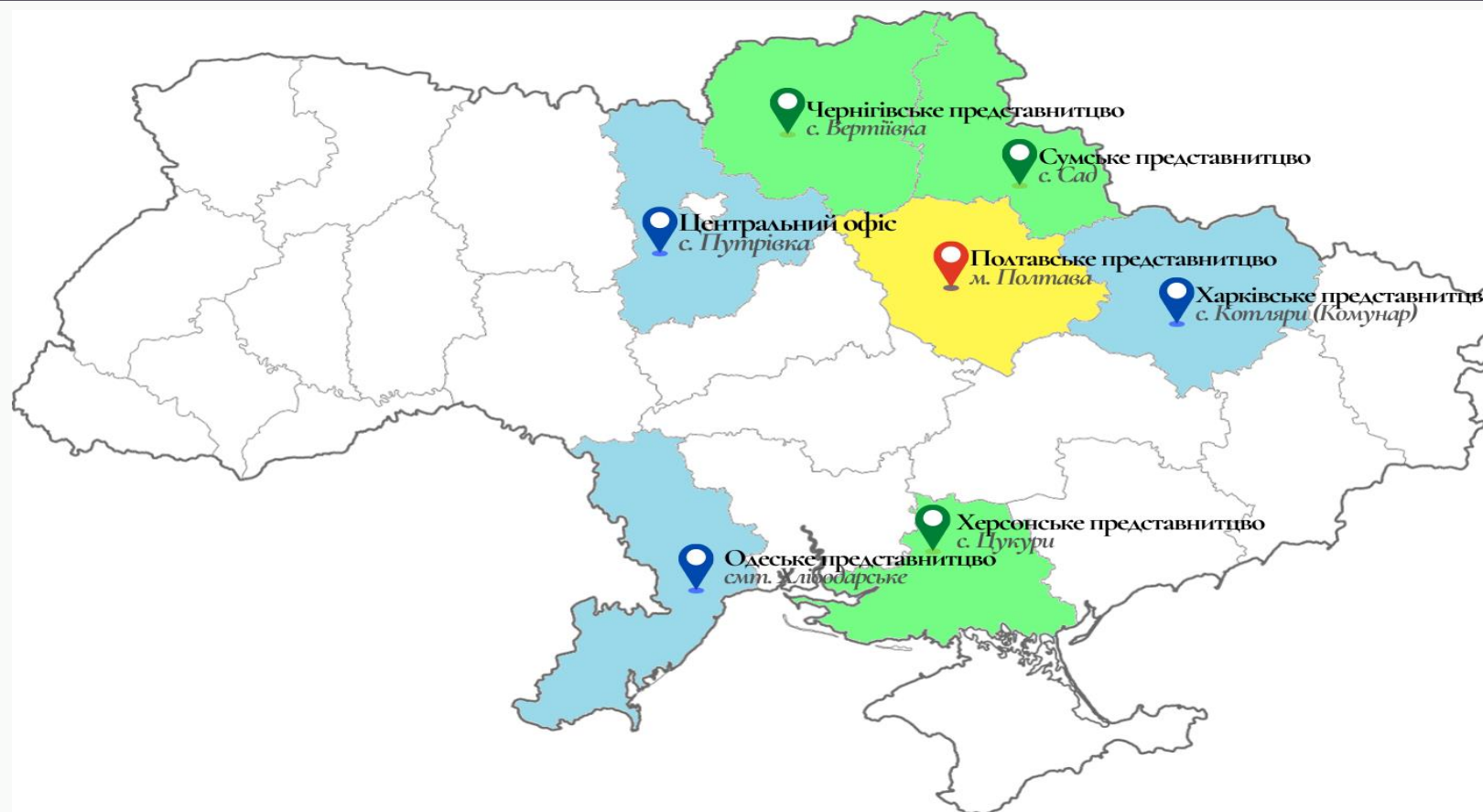
Profitability indicators



Liquidity indicators



Location of structural departments AGROTECHSOYUZ LLC



Strategy Formulation AGROTECHSOYUZ LLC

The Company's entry into new regional markets by opening a new service center in one of Ukrainian region as a strategy for the territorial expansion of the company.

Product sales plan for opening a new service center 2025 - 2030

Product sales plan		2025	2026	2027	2028	2029	2030
Combines	Capacity of the market, quantity	700	750	770	800	830	850
	Part of the region, %	7,1%	7,1%	7,1%	7,1%	7,1%	7,1%
	Market capacity of the region, quantity	39	40	42	46	49	53
	Company market share, %	25%	26%	27%	29%	31%	32%
	Sales volume, quantity	10	11	12	13	15	17
	Cost of production, thousand UAH	7 109	7 109	7 215	7 324	7 433	7 545
	Margin, %	12%	12%	12%	12%	12%	12%
	Revenue per unit of production, thousand UAH	853	853	866	879	892	905
	Revenue from sales total, thousand UAH	8 280	8 993	9 975	11 774	13 752	15 435
Tractors	Capacity of the market, quantity	2 200	2 250	2 300	3 210	3 250	2 380
	Part of the region, %	7,8%	7,8%	7,8%	7,8%	7,8%	7,8%
	Market capacity of the region, quantity	157	196	165	169	173	176
	Company market share, %	11%	12%	13%	16%	16%	17%
	Sales volume, quantity	17	24	22	26	27	30
	Cost of production, thousand UAH	4 058	4 058	4 119	4 181	4 244	4 307
	Margin, %	12%	12%	12%	12%	12%	12%
	Revenue per unit of production, thousand UAH	487	487	494	502	509	517
	Revenue from sales total, thousand UAH	8 404	11 555	10 829	13 114	13 796	15 507
Capacity of the market, quantity	28 733	32 917	36 209	39 829	43 812	48 194	
Total sales revenue, thousand UAH	45 416	53 465	57 012	64 718	71 360	79 136	

BUDGET OF INVESTMENT
AND CURRENT
OPERATING COSTS
(THOUSAND UAH)
32 UAH = 1 EURO

Year / Cost group	2025	2026	2027	2028	2029	2030
Investment expenditure						
Fixed assets:						
- vehicles	13 583	4 838	-	-	-	-
- equipment	4 809	1 124	-	-	-	-
- furniture	294	-	-	-	-	-
- office equipment	1 949	182	-	-	-	-
Marketing activities	5 274	-	-	-	-	-
CLAAS trainings for staff	1 506	-	-	-	-	-
Total	27 415	6 145	-	-	-	-
Current operating expenditure						
Service center rental	2 994	2 994	2 994	2 994	2 994	2 994
Salary	23 202	24 055	25 258	26 521	27 847	29 239
Working capital	3 661	3 308	3 473	3 647	3 829	4 021
Third party services	4 545	5 078	5 332	5 599	5 879	6 173
Amortization	5 787	5 787	6 077	6 381	6 700	7 035
Other expenditure	3 500	4 005	4 205	4 416	4 636	4 868
Total	43 690	45 228	47 340	49 557	51 885	54 330

Strategy evaluation and control

Based on the sales plan data presented on the previous slides, we calculate the cash flow from the opening a new service center.

DATA FOR CALCULATING THE MAIN INDICATORS OF THE INVESTMENT PROJECT (THOUSAND UAH)

Year / Category	2021	2022	2023	2024	2025	2026
Revenues from sales	45 416	53 465	57 012	64 718	71 360	79 136
Operating costs	43 690	45 228	47 340	49 557	51 885	54 330
Cash flows	1 726	8 236	9 672	15 161	19 475	24 806
Investment expenditure	27 415	6 145	-	-	-	-

**Indicators of
efficiency of
the investment
project of
opening a new
service center**

Indicators	Results for the project of opening a new service center
NPV, thousand UAH	21 373
IRR	20%
PI	1,72
Payback Period, years	4,9
DPP	5,0
MIRR	16%
ROI	0,30

Thanks for your attention!

Professor Alla Hrechko

My email: alla_grechko@ukr.net



National Technical University of Ukraine
"Igor Sikorsky Kyiv Polytechnic Institute"

Welcome to cooperation!



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