

THEORY AND METHODOLOGY OF EXPORT POTENTIAL MANAGEMENT FOR RUSSIAN ENTERPRISES

© 2010 A.V. Sidorenko*

Keywords: export potential, industrial enterprise, export, business processes, project and procedural approach, brand management.

The article deals with the concept of export potential management for an enterprise in the present conditions of economic management. It presents a classification of enterprise export potential elements, studies the main functions of management and lines of the enterprise export potential development within the framework of 'in-process' and 'project' approaches.

At present an enterprise faces a number of pressing problems related to the preservation of export markets as well as the preset competitiveness and efficiency level. Solving those problems implies the necessity for the enterprise to preserve the export volume and structure as well as to avert the possible decrease of the actual export potential and the transition its part into unfulfilled one for some objective and subjective reasons. And here we have a management system of enterprise export potential development to play the vital role in not only providing the actual enterprise export structure and volume improvement, but also detecting and enabling the elements of the export potential unfulfilled for different reasons.

Having done his research work at enterprises exporting high-technology products, the author suggests the management system of enterprise export potential development given in figure. The advantage of this system is that it provides consideration and synergy of main management function factors exerting the most significant influence on the export potential development of Russian enterprises. According to the established management system of export potential development the adaptation to the regulation of planning and the organization of export potential development are implemented at the macro-, meso-, and micro-levels under the influence of different, sometimes differently directed, factors of external environment and the internal state of an enterprise.

Foreign economic activity management at the micro-level depends to a large extent on the strategies and efficiency of domestic economic activity and the on effectiveness of main management system functions performance, i.e. planning, organization, motivation, monitoring and regulation.

In the author's opinion management of enterprise export potential development involves not only the development of actual export volumes but also enabling to the full enterprise export activity resources not involved before or insufficiently used. So as to perform a comprehensive analysis of an enterprise export potential development system it is suggested to classify the enterprise export potential as actual and unfulfilled ones.

The actual export potential (EP_{ACT}) is permanent ensuring - the guaranteed, under a contract, provision of products and services needed in foreign markets and being the subjects of enterprise's export specialization.

The author suggests to structure the unfulfilled export potential (EP_{UNF}) to the following elements:

EP_{UNF1} is export volumes for preceding years which can not be recovered in the present conditions for a number of reasons. This part of the export potential is 'lost potential'.

EP_{UNF2} is the missed opportunity for enterprises to export products and services, provision of which to the foreign markets has never been under consideration for some reasons. This part of the export potential is an 'uncalled potential'.

EP_{UNF3} is the complaints based on different grounds - slow deliveries, reduced actual export volumes, altogether the reasons for the formation of unfulfilled export potential of the first type.

According to the suggested classification the total export potential of an enterprise (EP_{ENT}) comprises all the above-mentioned elements and can be calculated with Formula.

$$EP_{ENT} = EP_{ACT} + EP_{UNF1} + EP_{UNF2} + EP_{UNF3}$$

* Andrey V. Sidorenko, post-graduate student of Samara State University of Economics. E-mail: ved878@progress.samara.ru.

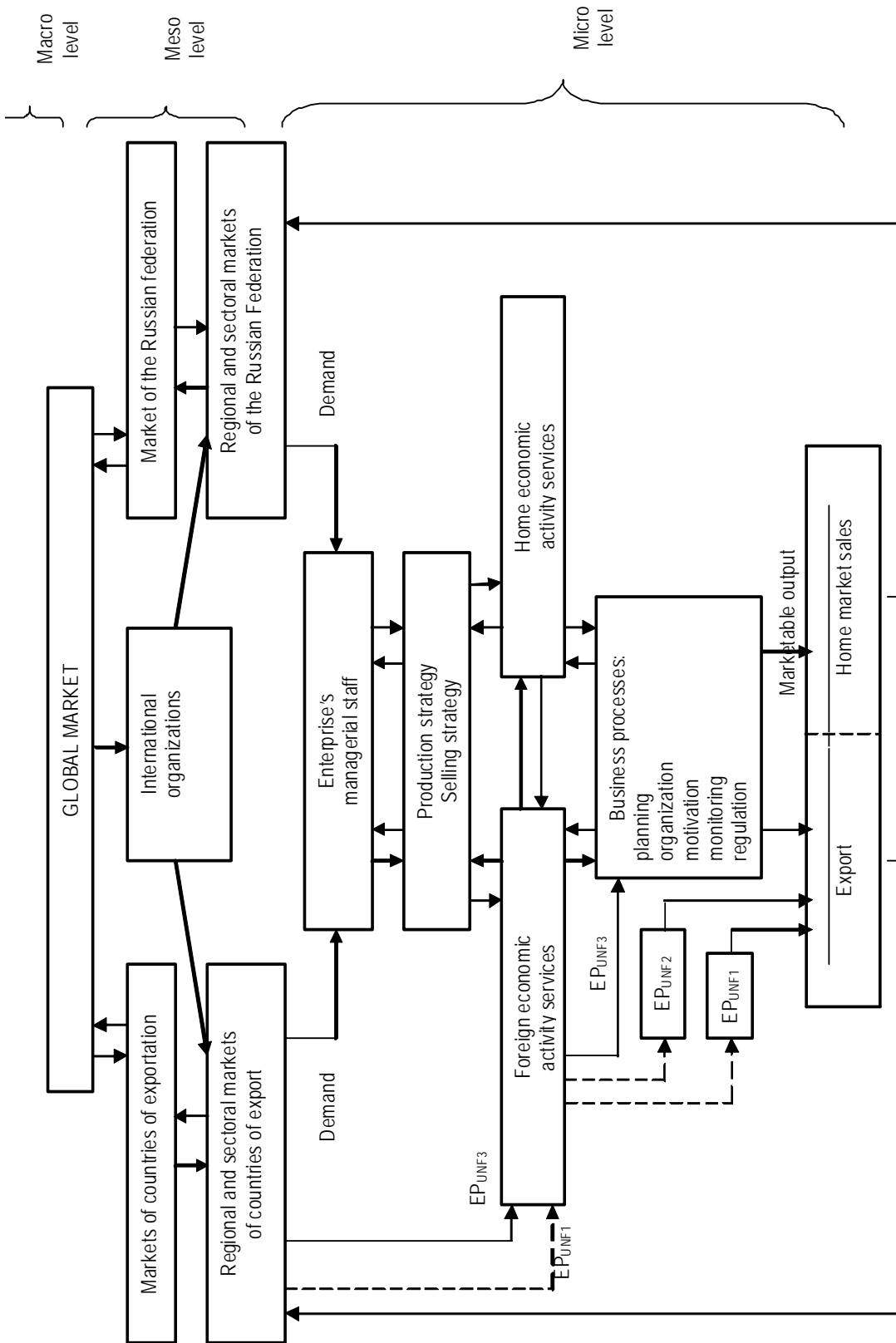


Fig. Structure flowchart of management system of enterprise export potential development

Objective appraisal of total export potential elements, as well as the content of planning and realization phases of enterprise export potential development (to be realized as main management functions) are of great importance for the implementation of the enterprise export potential development management system.

The approaches to the implementation of main functions under the common strategy of enterprise activity and development will differ in implementation complexity because two elements of export potential are realized within the framework of a usual business process, and the other two are realized by means of *ad hoc* projects.

The two elements of export potential, EP_{ACT} and EP_{UNF3} , comprise actual export potential and reclamations that can be acceptably accurately evaluated by foreign economic transactions over a certain period of time for every segment of foreign market by the volumes of currency earnings and aggregate reclamations. It is rather difficult to evaluate unfulfilled export potentials of the first and second types. To do this it is necessary to form task groups qualified for work with a specific market type. Therefore we can draw a conclusion that to realize export potential elements EP_{UNF1} and EP_{UNF2} it is necessary to develop *ad hoc* projects. It is conditioned primarily by that fact that every case of unfulfilled export potential requires individual analysis, individual approach, and therefore an indi-

vidual 'pilot' project. Account must also be taken of the development complexity of such projects as they touch both production and distribution.

To the author's opinion management of enterprise export potential development should be realized on the basis of combination of 'in-process' and 'project' approaches. The author came to this conclusion having done his research work and singled out four structural elements in export potential. Study of each is necessary for objective appraisal of the results of enterprise's managerial staff activities on management of export potential development.

The author deems that the enterprises' post-crisis economy export activity has to be considered as a system activity requiring appropriate management. In this connection the activity of a modern export-oriented enterprise shall provide for development of long-term export potential development strategy within the framework of already existing foreign economy policy. The development of enterprise export potential should be realized in all its elements. At that the two elements, EP_{UNF1} and EP_{UNF2} , play a major role in the increase in enterprise export volume and improvement of total export potential quality and quantity.

The application of the approach suggested by the author will make it possible for enterprises to expand products and foreign markets and also to increase their efficiency and competitiveness.

Received for publication on 12.05.2010