



FORMATION OF THE ENTERPRISE STRATEGY BASED ON THE INDUSTRY LIFE CYCLE

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ABSTRACT

The article considered the process of forming an enterprise strategy in the following stages: analysis of the external and internal environment of an enterprise, formation of a system of enterprise goals, assessment of alternative development strategies and the choice of one of them, implementation of the chosen strategy, and adjustment of the strategy. It is proposed to analyze the external environment in accordance with the concept of the industry life cycle. The concept of the life cycle of the industry, in particular the main stages of development of the industry and the criteria that are the basis for their identification, has been investigated. It is proposed to use the scientific developments of Porter and use the following characteristics as criteria:



behavior of buyers of products (services), changes in goods, the nature of competitive relations in the market, profits of enterprises in the industry and marketing activities. Accordingly, it is proposed to highlight the stages of the industry development: implementation, growth, maturity, decline. Alternative strategies of enterprise development at various stages of the industry life cycle are considered: the strategy for realizing the advantages of the pioneer, the strategy of change response, the strategy of change management, the strategy of stabilization, the strategy of reduction, the strategy for finding segments of steady demand, as well as the strategy of the "last time". The main characteristics of these strategies are studied. The analysis of the life cycle of the agricultural industry in Ukraine has been carried out and it has been established that according to most of the characteristics it is at the stage of maturity. The industry has established relationships between producers and business consumers, enterprises receive average profits and specialize in the production of certain types of agricultural products of sufficiently high quality, and there are processes of gradual ousting of competitors from the market. It is proposed to agricultural enterprises as a possible strategy to implement a stabilization strategy that best suits the conditions of the external environment.

Keywords: Enterprise Strategy, the Concept of the Life Cycle of the Industry, the Agricultural Industry of Ukraine

1. INTRODUCTION

The rapidity of the external environment requires enterprises to react immediately to the changes taking place and to be able to adapt to them. Agricultural enterprises of Ukraine, whose external environment is extremely unstable, are no exception. Thus, in recent years, the process of concentration in the industry continues, as evidenced by the formation of large agricultural companies and their displacement of small producers.

In addition, certain decisions taken at the state level also reduce the attractiveness of operating in the industry: a few years ago, preferential tax conditions for farmers were abolished. State programs to support entrepreneurship in agriculture have also not yet been widely used and operate with some restrictions. All of the above allows us to outline the problem of the need to form strategies for agricultural enterprises as a means of adapting to changes in the external environment, taking into account the main changes taking place in it.

2. LITERATURE REVIEW

The issue of forming a strategy has been considered by many scientists, the most famous of which are Ansoff, Mintzberg, Thompson, Strickland, Vikhansky and other.

Thus, scientists (Mintzberg, Ahlstrand & Lampel, 2000) emphasize the complexity of the process of forming a strategy and propose to consider the strategy as a plan, maneuver, pattern of action (behavior), position and perspective. In work (Ansoff, 1989) it is proved that the enterprise can choose one of the opposite types of strategic behavior (incrementalistic and entrepreneurial) and their differences are considered.

Thorough study of aspects of strategy development of the enterprise is carried out in the scientific work of famous scientists Thompson and Strickland (2008): the factors that shape the strategy, factors that characterize the competitive capabilities of the organization, the method of analysis of the general situation in the industry, main types of strategic behavior of business entities.

Also, scientific research reflects such aspects of strategic management as the main types of strategies (Vihanskiy, 2006; Boiarska, 2015), analysis of the enterprise environment in terms of its components: macroenvironment, immediate environment and internal environment (Vihanskiy, 2006), the process of strategic planning with step-by-step selection of optimal enterprise strategy (Zhikhareva & Saveleva, 2017), stages of formation of strategy (Khatser, 2014; Oliynyk & Kuznietsova, 2018), typology of enterprise strategies, depending on where they work: developing or developed countries, and whether they operate within a single or across multiple levels of host country development (Barnard, 2021).

The authors Rodrigues, Ruivo and Oliveira (2021) consider the influence of the chosen competitive strategy on the value of the business as one of the hypotheses of the research.

Agustia, Muhammad, Permatasari (2020) also hypothesize the impact of the chosen business strategy on the possibility of enterprise's bankruptcy. In their study, they provide empirical evidence of the use of business strategy as a mitigating risk factor for bankruptcy.

Researchers Tawse, Tabesh (2021) are exploring the implementation of the strategy, in particular: the actions with help of which managers can influence the implementation process, the conditions necessary for the effective implementation of the strategy, and management capabilities to create the best combination of these conditions.

In the works of authors the peculiarities of formation of strategy for enterprises of different spheres of economy and branches are considered: small enterprises (Teslenok & Vorovska, 2017), industrial enterprises (Venzheha, 2017), enterprises of food industry

(Zhuravel, 2018), non-ferrous metallurgy (Zhurilo & Sytnik, 2013), agribusiness enterprises (Brenes, Ciravegna & Acuña, 2020).

Despite the presence of multifaceted research on the strategy of the enterprise in the scientific works of various authors, the issue of forming a strategy for agricultural enterprises taking into account the stage of the life cycle of the industry remains unresolved.

The aim of the article is to develop a methodological approach to the formation of the strategy of agricultural enterprises, which is based on the concept of the life cycle of the industry.

3. METHODOLOGY (DATA AND METHODOLOGY)

The study was conducted using the comparative-analytical method (for establishing the criteria and stages of the industry life cycle), a systematic approach to developing a strategy (for forming strategies at different stages of the industry life cycle), and statistical methods (for analyzing trends in the development of the agricultural industry)

4. RESULTS AND DISCUSSIONS

4.1. Result: it is proposed methodical approach to the formation of enterprise strategy taking into account the stage of the life cycle of the industry

The dissimilarity of enterprises, the difference in the conditions of their activities, the uniqueness of some characteristics lead to the formation of organizations' strategies that are radically different from each other. The successful experience of strategic management, implemented by some companies, cannot be used as a recipe for others. At the same time, scientists study the main theoretical aspects and stages of formation of strategy.

Well-known scientists Thompson, Strickland (2008) in accordance with the five tasks of strategic management propose to separate the main stages of formation of strategy, namely: setting strategic guidelines, goals and objectives, strategy development, implementation and adjustment.

However, they emphasize that the decision to choose a strategy should be made on the basis of analysis of the internal and external environment of the enterprise; it should study both the situation inside the enterprise and outside (the state of the industry and competition). The absence of such analysis can lead to the unsustainability of the existing strategy. The need for analysis of the enterprise environment and the scientist is emphasized (Vihanskiy, 2006).

In addition to analyzing the environment of the organization, in the process of developing a strategy he proposes to separate the formation of the mission and goals of the enterprise, the choice of strategy and its implementation, evaluation and monitoring. A similar composition of the strategy is described in the work (Oliynyk & Kuznietsova, 2018): study of the external environment, analysis of strengths and weaknesses of the organization and the formation of competitive advantages, development of goals, formation and selection of strategic alternatives, implementation of strategy implementation, monitoring and adjustment strategy.

Thus, the process of developing a strategy proposed by scientists (with some minor differences) is similar and generally contains the following stages:

- analysis of the external and internal environment of the enterprise,
- formation of the system of the purposes of the enterprise,
- evaluation of several alternative development strategies and selection of one of them,
- implementation of the chosen strategy,
- strategy adjustment.

In our opinion, the analysis of the external environment should be carried out in accordance with the concept of the life cycle of the industry. In this way it is possible to establish at what stage of development the industry is, which, in turn, prescribes the variability of the choice of enterprise strategy.

The concept of the life cycle has found wide application in the scientific literature: with its help, scientists have studied the product, employee, enterprise, industry, socio-economic system and more. Most of the scientific developments relate to the establishment of the stage of the life cycle of the product and enterprise. However, studies of the concept of the life cycle of the industry are characterized by the lack of a single criterion that can be used to establish the stage of industry development.

In addition, the composition of the stages of development of the industry, which is separated by different authors, also differs.

In the works of most scientists, as a rule, one or two criteria for identifying the stage of development of the industry, namely:

- changes in consumer demand (Moore, 1996);

- sales volume (Zhurilo & Sytnik, 2013);
- the volume of sales and the amount of profit (Lotysh, 2016);
- net profit and its growth rate (fall) (Yashchenko, 2016);
- the ratio of supply and demand (Strokovych, 2011).

The use of the criterion of changing consumer demand, in essence, means reducing the theory of evolution of the industry to the evolution of the product. Its application will not provide a complete picture of changes in the industry, related, for example, to new trends in the behavior of existing competitors and opportunities to enter the market of new manufacturers. For the same reason, it is impractical to use as a criterion only the volume of sales or only profit indicators. Indicators of the distribution of market shares between competitors, to a greater extent, indicate the presence of concentration processes in the industry, which is also one of the aspects that determine the stage of its development.

The most thorough study in the direction of the theory of evolution of the industry is the work of Porter (1998), who separated several criteria for classifying the industry to a certain stage of development, namely: growth of the industry, changes in consumer demand and experience, changes in industry, innovations, presence of competitors, their number and market shares.

On the one hand, the separation of such a number of criteria makes it difficult to classify the industry under study to a certain stage of development, because according to some of them (for example, the growth rate of the industry), the latter may meet several stages at once. On the other hand, the identified characteristics of the industry may correspond to different stages of its development. Therefore, the decision to classify the industry to a certain stage of development should be made in accordance with most of the criteria established by Porter.

As in the question of separating the criteria for classifying the industry to a certain stage of development, there is no consensus of scholars on the content of these stages.

Thus, in his scientific work, Moore (1996) distinguished three stages of development of the industry: functionality; reliability and convenience. At the stage of functionality, the sale of a product of the industry was associated only with "early supporters" - consumers who will always try new products. The stage of reliability was characterized by an increase in demand for the product of the industry and the formation of a circle of "early majority". At the

convenience stage of the enterprise, the industry already had a significant number of consumers, which was called the "late majority".

Porter and a number of follower authors distinguish four main stages of the evolution of the industry: implementation, growth, maturity and decline. Strokovych (2011), which connects the stages of development of the industry with the ratio of supply and demand, divides the stage of growth into accelerated growth (demand grows faster than supply) and slow growth (supply begins to outpace demand).

A slightly expanded list of stages of development of the industry is proposed in (Vlasiuk, 2009): the author proposes to distinguish the stages of implementation, formation, accelerated growth, slow growth, maturity and decline. At the implementation stage, the product has just been launched on the market. The stage of formation assumes that against the background of increasing sales, the company begins to operate at a break-even point, but it does not receive sufficient profits.

The stage of accelerated growth assumes that the company is actively developing production, rapidly increasing profits and sales. At the stage of slow growth, the first signs of future market saturation appear: profits are still growing, but growth is slowing. Sales volumes either remain unchanged or their growth rates begin to decline. The stage of maturity is characterized by consistency or a slight reduction in profits and sales. To support them, the company now needs to make more efforts. At the stage of decline, sales and other indicators of enterprise activity are reduced.

In the work (Yashchenko, 2016) it is emphasized that the most fully characterizes the transition of the industry from one stage of development to another the value of net profit. Thus, the stage of nucleation is characterized by a negative net profit and its growth rate greater than 100%. At the stage of growth, both net profit and its growth rate increase. The maturity of the industry emphasizes the positive value of profit and its growth rate of less than 100%, and its decline - the negative net profit and its growth rate.

The authors (Zhurilo & Sytnik, 2013) believe that the industry in its development can go through several cycles, accompanied by both improvement and deterioration of the activity of enterprises operating in it. Thus, according to the author's approach, the industry goes through stages: implementation, growth, destruction, "re-growth cycle", formation, "re-destruction", "re-restoration and growth", maturity and decline.

Note that the separation of repeated stages of the evolution of the industry is impractical, because the very concept of the life cycle implies the possibility of transition to certain (sometimes previous) stages of development under certain conditions.

We summarize the main stages of development of the industry by different authors to the analytical table (Table 1).

Table 1: Stages of the life cycle of the industry

Stages of the life cycle of the industry	Scientists					
	M. Porter (1998)	G.W. Strokovich (2011)	TM Vlasjuk (2009)	LO Yashchenko (2016)	O.Ya. Lotysh (2015)	Zhurilo IV, Sytnyk IV (2013)
Implementation	+	+	+	+	+	+
Growth	+			+	+	+
Destruction						+
"Repeat growth cycle"						+
Formation			+			+
"Re-destruction"						+
"Recovery and growth"						+
Acceleration of growth		+	+			
Slow growth		+	+			
Maturity	+	+	+	+	+	+
Decline	+	+	+	+	+	+

In our opinion, the most thorough is the content and sequence of stages of development of the industry, proposed by M. Porter. In addition, the scientist has the most detailed features of the stage of the life cycle of the industry, so we use the approach of a well-known scientist to separate the stages of development of the industry. Thus, according to this approach, we will distinguish the stages of implementation, growth, maturity and decline of the industry.

At the stage of implementation, the costs of enterprises in the industry are much higher than their revenues, so they make almost no profit. Production is unstable, its quality can change, because it is in this company that actively experiment with production technology, actively make changes to the production process of the product and are generally insufficiently experienced manufacturers.

As buyers do not yet feel the need for the product, its consumption needs to be increased by raising consumer awareness.

At the stage of growth, the profit of enterprises and their sales increase, the operating system works productively.

The circle of fans of production grows, therefore demand becomes more mass. Enterprises have the opportunity to reduce the cost of production due to the effect of scale, as

well as to stabilize its quality. At the same time, the industry is becoming attractive and new producers are appearing in it, which introduces an element of competition.

At the stage of maturity, the industry is characterized by stable sales volumes and relatively stable profits (they no longer grow). As the market becomes saturated, competition between manufacturers becomes fiercer. The decline stage is characterized by a reduction in both profits and sales. Enterprises also reduce investment, innovations are not implemented. Competitors either pursue aggressive policies or cease operations.

The choice of enterprise strategy is in some way influenced by the environment of the industry, its stage of the life cycle.

Porter (1998) argues that "evolution is crucial in the industry" in this process.

A characteristic feature of the stage "implementation" of life cycle of the industry is the complete absence of established "rules of the game", as they have just been formed or have been reformed as a result of technological innovations, the emergence of new consumer needs. Accordingly, enterprises in such industries start their activities and their strategies are innovative.

They must be innovatively active, master new production technologies, introduce new equipment, search for new production methods, recruit and train staff, establish distribution channels and meet customer requirements in the best way. Only in this way the company will be able to quickly increase market share, eliminate the risks of the life stage of implementation and reduce the uncertainty that characterizes this stage.

For the success of the enterprise in such conditions, we can recommend a strategy for realizing the advantages of the pioneer. It aims to quickly penetrate and establish its "rules of the game" in the industry undergoing the stage of formation. The strategy is implemented through a deep understanding of consumer preferences, rapid response to innovation and introduction of new technologies, the formation of partnerships with key suppliers, the formation of effective networks of distribution channels.

The growth stage is characterized by high dynamism, which is due to changes in product quality, price and degree of protection, the reduction of its life cycle, the growth of consumer demands which should be reflected in the strategy of the enterprise. At this stage of the industry life cycle, the enterprise can implement one of two possible strategies (Brown & Eisenhardt, 1998): change response or change management.

The first strategy involves adapting to changes in the industry. In essence, this is a variant of the defense strategy and does not provide opportunities to create new competitive opportunities. The change management strategy involves forecasting changes in customer behavior and creating appropriate consumer value, as well as initiating actions to which competitors are forced to respond.

It is clear the market share of the enterprise that responds to change will be inferior to shares of the company with a strategy of "change management", but the effort spent on its preservation will be less.

At the stage of maturity, characterized by a slowdown in demand, increased competition and ousting small producers from the market, the stabilization strategy is relevant, aimed at improving certain areas of development (areas of activity, products, services, etc.) of the enterprise, value chain optimization, cost reduction and active marketing activities. The way to maintain its own market share can be to seek lower prices to attract consumers, find new uses for the product, or offer related services. In any case, companies control their investments and avoid unnecessary costs.

The stage "decline" life cycle of the industry is characterized by a long decline in sales levels. Strategic alternatives for this stage are much more complex. They are characterized by strict control of enterprise costs and the choice between closing the business and using promising industry segments. A reduction strategy involves the transfer of capital to more promising industries. When choosing a strategy for finding segments of steady demand, the enterprise tries to be one of the few that remains in the industry.

The strategy involves identifying groups of consumers who are staunch supporters of the company's products, ready to ensure stable sales for it. At the stage "decline" of life cycle of the industry, the enterprise can choose an intermediate strategy of the "last time". In this case, the enterprise focuses on cost savings by gradually reducing the promotion of products on the market, reducing its quality, the terminating of additional services to consumers.

The aim is to reduce costs at a faster pace than the decline in sales and in this way to extract as much invested funds from the dying business as possible.

Alternative strategies at different stages of the life cycle of the industry and their characteristics are shown in table 2.

Table 2: The main characteristics of strategies taking into account the stage of the life cycle of the industry

Stages of the life cycle of the industry	Strategies	The main characteristics of strategies
Implementation	strategy for realizing the advantages of the pioneer	rapid penetration and establishment of their "rules of the game" in the industry
Growth	change response strategy	adaptation to changes in the industry: improving products, responding to changes in demand and competitive moves of rivals
	change management strategy	forecasting changes in customer behavior and creating appropriate consumer value, initiating actions to which competitors are forced to respond, the formation of industry standards
Maturity	stabilization strategy	finding ways to retain consumers through lower prices, high quality, additional services, etc.
Decline	reduction strategy	transfer of capital to more promising industries
	strategy for finding segments of steady demand	identification of market segments of stable demand and transfer of enterprise resources to them
	strategy of the "last time"	controlled liquidation by reducing costs and maximizing of extract invested funds from the business

Source: Thompson and Strickland, (2008), Porter, (1998) and (Brown and Eisenhardt (1998)

4.2. Result: it is determined the life cycle stage of the agricultural sector of Ukraine; it is proposed a possible strategy of activity of agricultural enterprises

Ukrainian agricultural enterprises play a leading role in shaping the country's food security, as they provide the population with the necessary food and feed for animals. Given the volume of gross production and exports of crops, they largely support food security around the world (Kuznetsova et al., 2019).

To select the strategy recommended for agricultural enterprises, we propose to use the concept of the life cycle of the industry and use the stages identified by M. Porter, namely: implementation, growth, maturity and decline.

Consider the features identified by a well-known scientist to determine the stage of development of the industry, namely: the behavior of buyers of products (services), changes in goods, the nature of competitive relations in the market, profits and marketing activities, and examine the agricultural industry for compliance with these features.

Behavior of buyers of products. Agricultural production cannot be called stable, which is reflected in the indices of agricultural products (Figure 1). The index of crop production changes most dynamically (range of fluctuations - from -15 to 30%).

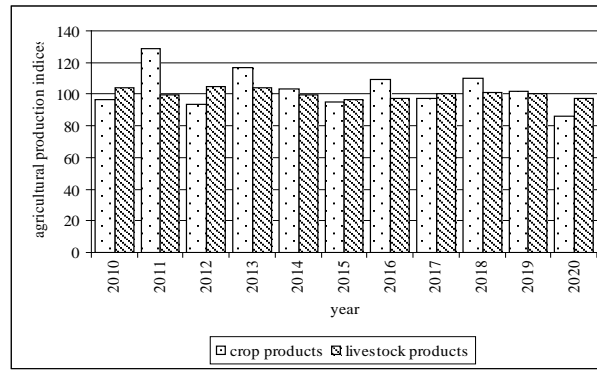


Figure 1: Indices of agricultural products

Source: summarized by the authors for Government portal of the State Statistics Committee of Ukraine

If we consider the distribution of production of crop products between producers, the share of producers differs by individual species. Thus, in the production of grain the largest market share is occupied by agricultural enterprises, in the production of potatoes - households (Figure 2).

According to the LB.ua website, five companies in the industry were among the largest producers of the industry by the size of the land bank, namely: UkrLandFarming (653 thousand hectares), Agroprosperis (430 thousand hectares), and Kernel Group (390 thousand hectares), Myronivsky bread product (380 thousand hectares), "Ukrainian agrarian investments" (264 thousand hectares). No revenue or profit information was publicly available.

Note that in the industry there are strong links between producers and consumers (industrial enterprises, exporters), so business buyers choose between several manufacturers.

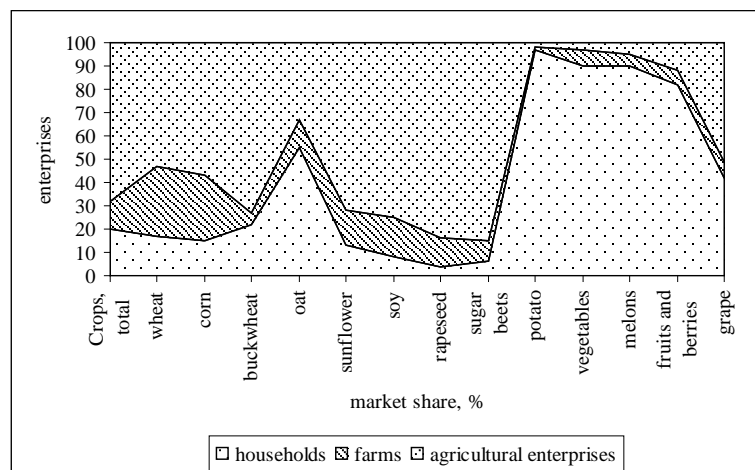


Figure 2: The share of major producers in the production of crop products, %

Source: summarized by the authors for Government portal of the State Statistics Committee of Ukraine

Changes in goods. In general, the agricultural sector today is characterized as stable; the quality of products is quite high, as evidenced by the growth of its exports. Against the background of general stability, it is impossible not to note the sufficiently active development

of organic production. In 2018, Ukraine ranked 11th in Europe in the area of organic farmland (Figure 3), intensively increasing them, but in recent years the growth rate does not exceed 2-3%.

Although the number of agricultural producers in organic farming has increased today, their share does not exceed 0.4% of the total number of agricultural producers in Ukraine (mainly concentrated in Odessa and Kyiv oblasts).

The share of organic land is also insignificant and occupies only 1.6% of the total area of agricultural land. Organic lands are mostly used for growing cereals (48.1%) and oilseeds (16.2%), of which more than 90% are exported.

Another approximately 90,000 hectares of land are in a transitional state (submitted for certification of organic farming). However, a sharp increase in organic farming is not expected due to strict certification requirements.

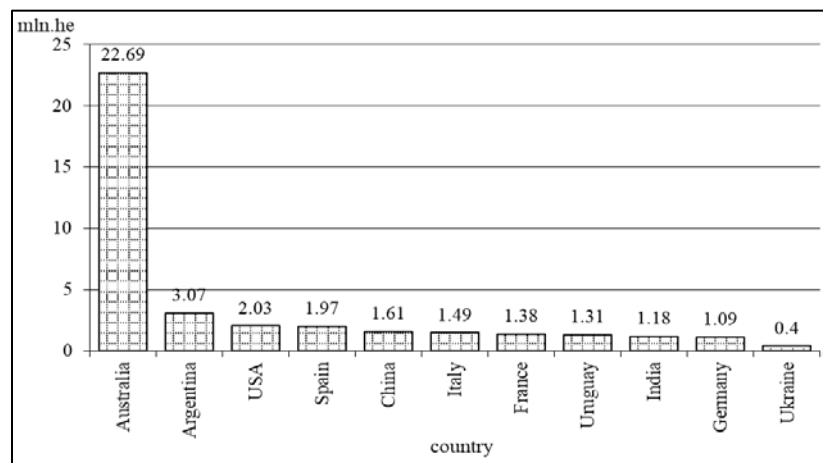


Figure 3: Leading countries in organic production by area of organic land, million hectares
 Source: Willer and Lernoud (2017)

That is, today the agricultural sector is characterized by changes in products due to the introduction of organic farming; there are changes of an innovative nature. However, these changes are not yet widespread.

Profits of enterprises in the industry. The level of profitability of production of certain types of agricultural products differs. Thus, according to the State Statistics Service of Ukraine in 2018, the most profitable was the cultivation of sunflower seeds (32.5%), and the least profitable - the cultivation of cattle (-17.7%).

If we describe the level of income in the industry as a whole, we note that agricultural enterprises for a long time paid a single tax for the fourth group of taxpayers (in fact, were on a simplified tax regime), and showed high profitability of certain agricultural products.

However, in 2016, the state abolished the special VAT regime for farmers, citing IMF requirements, which led to some deterioration in financial results (the share of enterprises that suffered losses increased slightly) (Figure 4).

With regard to cash, agricultural enterprises due to the specifics of the activity have a shortage of cash and actively use loans during the sowing campaign.

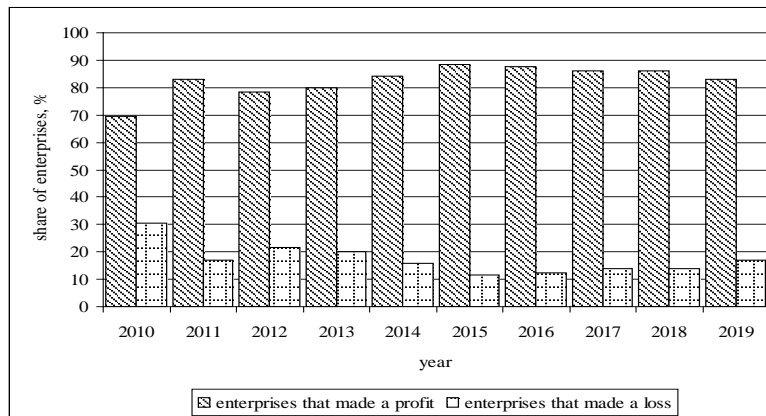


Figure 4: The share of agricultural enterprises that made a profit / loss, %
 Source: summarized by the authors for Government portal of the State Statistics Committee of Ukraine

The nature of competitive relations. Today, more than 75,000 producers work in agriculture. In 2018, the number of agricultural producers decreased slightly, which was due to a reduction in the number of individuals - entrepreneurs. The number of legal entities in agriculture has been growing for the last two years (Figure 5).

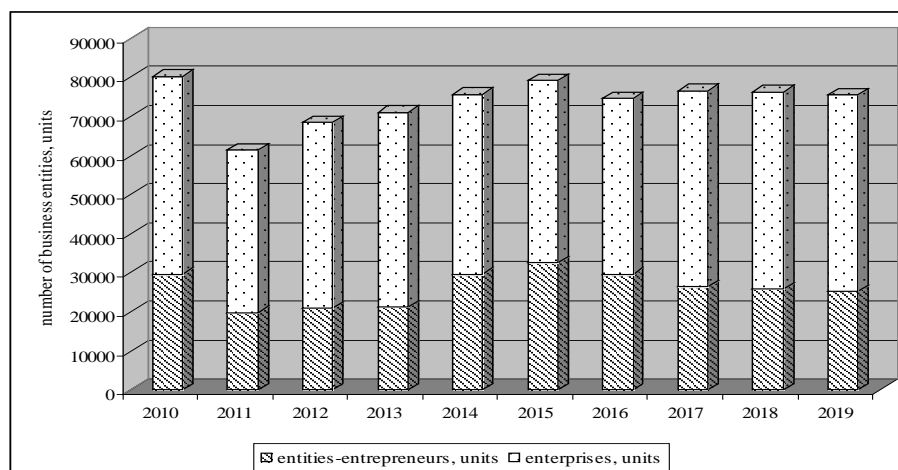


Figure 5: Number of business entities in agriculture, units
 Source: summarized by the authors for Government portal of the State Statistics Committee of Ukraine

Of the 50.000 legal entities operating in the market, the lion's share (95.4%) are small businesses. At the same time, they provide only 37.7% of sales volumes (Table 3). Agricultural production is concentrated, to a greater extent, on medium-sized enterprises.

Table 3: Number of enterprises in agriculture and volumes of their sales with division into large, medium, small and micro enterprises

Indicators	Total	Including							
		large enterprises		medium enterprises		small enterprises		of them	
		units	%	units	%	units	%	microenterprises	units
2017 year									
Number of enterprises, units	50115	18	0.04	2383	4.73	47714	95.23	42512	84.8
Volume of sold products, UAH million	454380.1	38879.9	8.6	237987.3	52.4	177512.9	39.0	54238.7	11.9
2018 year									
Number of enterprises, units	50504	23	0.05	2298	4.55	48183	95.4	42907	85
Volume of sold products, UAH million	525097	54757.9	10.4	272210	51.9	198129	37.7	60854.2	11.6
2019 year									
Number of enterprises, units	50239	34	0.1	2281	4.5	47924	95.4	42633	84.9
Volume of sold products, UAH million	556325.9	74132.0	13.3	275953.8	49.6	206240.1	37.1	65480.0	11.8

Source: summarized by the authors for Government portal of the State Statistics Committee of Ukraine

The intensification of competition is confirmed by the active development in the market of vertically integrated structures in the form of agricultural holdings (over the past three years, their number has increased by 9.5%).

Such enterprises own a significant land bank and gradually increase it (Table 4).

Table 4: Distribution of land bank (areas under crops) between producers of agricultural products of Ukraine (compiled by the author for (Agropolit.com)), %

Producers of agricultural products	2017 year		2018 year		2019 year	
	share of enterprises, %	share of land bank, %	share of enterprises, %	share of land bank, %	share of enterprises, %	share of land bank, %
Agricultural companies	100	69.88	100	69.36	100	69.85
including farmers	99.63	58.97	99.60	56.72	99.52	57.02
holdings	0.36	10.91	0.40	12.64	0.42	12.84
Personal households	-	30.12	-	30.64	-	30.15

Agricultural holdings are not monopolists, but actively influence the level of competition in the industry.

The nature of marketing activities. Farmers usually specialize in the production of certain types of agricultural products, which is determined by the quantity and quality of agricultural land at their disposal, available equipment and specialists, and so on. The

expansion of the product range is mainly due to the introduction of organic farming, but it is not yet widespread.

The main consumers of agricultural products are processing enterprises. Also, a significant share of agricultural products is exported. When selling products to business consumers, agricultural enterprises have a low share of marketing costs.

We summarize our analysis of the signs of the stages of the life cycle of the agricultural sector and summarize its results in table 5.

Our analysis of the agricultural sector of Ukraine allowed us to conclude that in most respects it is at the stage of maturity of its life cycle.

Table 5: Life cycle of the agricultural sector of Ukraine

Signs	Typical characteristics of the stage of the industry's development (according to M. Porter) (1998)				Signs of the stage of the agricultural sector's development
	introduction	growth	maturity	decline	
Buyers and their behavior	Buyers are poorly informed about the product	number of informed buyers growing	knowledgeable buyers choose between several brands or manufacturers	knowledgeable buyers prefer a particular brand (manufacturer)	in the industry established links between producers and business consumers (industrial enterprises, exporters), so buyers choose between several manufacturers.
Changes in goods	low quality, absence standardization	quality, differentiation of goods functional characteristics	high quality, slight differentiation goods	heterogeneous quality, absence product differentiation	rather high quality products, the development of organic farming
Profits of enterprises in the industry	lack of cash, low profits	average profits	a lot of cash, little debt	little cash, low profits	medium incomes, little cash
The nature of competitive relations	insignificant number of competitors	increase in the number of competitors	gradual ousting of competitors from the market	presence on the market only stronger competitors	gradual ousting of competitors from the market, increasing the land bank by agricultural holdings
Marketing activity	significant marketing costs, including advertising, the market is not segmented	significant marketing costs, but less than at the stage of implementation, the emergence of market segments	market segmentation, expanding the range, reducing sales costs	insignificant advertising costs and other marketing purposes	specialization in the production of certain agricultural products, the emergence of organic products, minimum sales costs

Taking into account the stage of the life cycle of the industry should form a strategy for enterprise development, which according to the preliminary analysis may be a stabilization strategy.

5. CONCLUSIONS AND RECOMMENDATIONS

- 1) According to the results of the research a methodical approach to the formation of enterprise strategy taking into account the stage of the life cycle of the industry, which contains the main stages: analysis of the external environment of the enterprise in accordance with the concept of development and selection of one of them, implementation of the chosen strategy, adjustment of strategy.
- 2) Based on the analysis of the life cycle of the agricultural sector of Ukraine on the criteria of behavior of buyers of products (services), changes in goods, the nature of competitive relations in the market, profits of enterprises and marketing activities, it is established that it is mature. In accordance with this, it is proposed to agricultural enterprises as a possible strategy to implement a stabilization strategy that best meets the conditions of the external environment.
- 3) Prospects for further research may be recommendations for the formation on the basis of the chosen strategy for the development of possible competitive and functional strategies of agricultural enterprises.

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