

LINKAGES BETWEEN STRATEGY AND SUPPLY CHAIN IN RETAILING

The main objective of the report is to consider and linked in theoretically aspects the strategic orientation of entrepreneurs and the supply chain management in trade. To achieve this goal, the following tasks have been set: clarifying the entrepreneurial strategy, the nature of the corporate and operational strategy and the strategic process in supply chain management in trade.

The development of the strategy is viewed as perspectives as a result of the ideas and the choice made by the entrepreneur expressed through his 'vision for the future' [3]. The entrepreneurial strategy may be characterized as predefined and simultaneously evolving in the process and hence comes the entrepreneurial flexibility as a consequence of the broader scale of the strategy in the starting period and its step-by-step detailing in the course of time. The characteristics in the development of the entrepreneurial strategy are as follows [3]:

- As a rule, the entrepreneur doesn't pay much attention to the strategy, he is focused on the opportunity;
- Power is concentrated in the hands of a single leader;
- The creation of a strategy in entrepreneurial style is characterized by movement forward despite the great uncertainty;
- Development – this is the main objective of every entrepreneurial organization;
- Entrepreneurial strategy is proactive and is based on the actual execution of the entrepreneur.

Prerequisites upon which the 'Entrepreneurial school' is founded [3]:

- The strategy exists in the leader's conscience in the form of future perspectives and the movement forward is accomplished as a consequence of the leader's intuitive choice;
- The process of strategy creation is 'semiconscious'. It's based on the leader's life experience and intuition no matter if the idea arises in his conscience or it's accepted from outside;
- The leader purposefully presents his concept and personally monitors its execution and if needed makes corrections;
- Flexibility is needed for the strategic entrepreneurial prediction and the entrepreneurial strategy is well thought as well unexpectedly arising;
- The entrepreneurial organization is relatively simply structured due to the necessity to be flexible in the accomplishment of the tasks set;
- The entrepreneurial strategy gravitates around demand and is protected of direct influence of competition in the niche.

The strategic entrepreneurial orientation can be presented by means of several interrelated elements – resources and abilities, attitudes and perception of the outside microenvironment. The enterprise resources are expressed in the number of employees, sales volume, the size of the management team, number of employees with University degree, size of the board, etc. The main task in the small-scope business management involves moderate risks, taking personal responsibility for the performance and paying much attention to the feedback in reference to the expenses and profit, and finding new and/or innovative ways for creating a new product or offering a new service [5].

Vision is the basic element in creating the corporate strategy. Vision for the future determines the entrepreneurial nature of the supply chain management. Every single business initially originates as a vision which depicts the need for developing/ creating strategies for the business development while controlling it's positioning on the market. Normally, the vision is associated with the leader's mental abilities. Leaders should explain their vision to each and every member of the organization and use it as a motivation means of their subordinates in the company different departments. The expected consequence should be the deliberate movement forward of the whole organization [1].

It's necessary to make a critical analysis of the existing alternatives in order to define the vision for the company development in the field of trade and logistics and the most appropriate one to be chosen. In creating the best vision for the organization development there should be a creative element as well as a realistic one so that it can be achievable.

The collocation 'supply chain' is used for the first time by the consultants Oliver and Webber in 1982. Under this collocation they mean 'a network of companies which are involved by relations upwards and downwards in the channel with different processes and activities generating value in the form of products and services to be consumed by end customers'. In this comprehensive study of literary sources/ the team of scientists establish based on quantitative analysis that initially only specific aspects of supply chain are described in the publications, such as sharing of information, stocks management, integration in the supply chain etc. On a later stage these separate elements are being 'installed' in one and are generally directed to improve the efficacy of the phenomenon explored [2].

The agreed strategy allows the enterprises involved in the supply chain to raise the revenues, decrease expenses and contributes to generating competitive advantages [1]. In order to clarify the role of the operating strategy in the field of supply chain management in trade deliveries and its inclusion in the targets of the enterprise.

The strategy is related with planning of activities in separate stages. The logistic strategy is perceived as a complex of leading principles, driving forces and established relations which aim at coordinating the objectives, plans and policies enforced by conscious behavior of the partners involved in the network. The logistic strategy is related to different decisions taken due to incidents, confusion or in costing mode. In the logistic strategy creation two factors are taken into

consideration – the objectives and the process of the strategy [2].

The operational strategy is defined as business strategy focused on results corresponding to the targets and vision for corporate strategy for the whole supply chain [1]. The operational business strategy is directed to the market and shows the way to be competitive. The components necessary for coordination with the operational strategy are [1]:

- Coordination of business targets with the management vision as a result of the compliance with the established corporate principles;
- Coordination with the market based on effective segmenting of consumers;
- Defining strategic solutions for the users in the form of services offered which are chosen based on the service costs analysis;
- Forming strategic answers as a result of the supply chain action parameters. As all components are interrelated the organizations should work out every strategy using the principle of coordination.

There are two distinctive features of the strategic approach in business: firstly, traders are closer to users which facilitates extracting information regarding the products and services offered and to investigate better the consumer behaviors when they supply this information to the other sectors in the supply chain. Secondly, as a result of the information acquired for the consumer demand better communication with the customers is achieved and the strategies created lead to more efficient market orientation. Due to these reasons the retail trade has a leading position in the creation of supply chain management. Because of the availability of multiple production lines and huge data volume it's necessary the trade organizations to observe the relation between the strategy and the enterprise structure [4].

The creation of the retailer strategy involves [4]:

- Development of the trade network aiming acquisition of bigger purchasing power affecting the production and distribution companies;
- Development of big retail establishments – construction of trade chains;
- Development of distribution system which will integrate the retailers too;
- Development of own brands and labels.

In conclusion, it can be noted that the entrepreneurial strategy plays a major role in shaping the corporate strategy in trade. An operational strategy can help build the supply chain in commerce. Account should also be taken of the fact that a corporate-level decision needs to be taken to implement the concept of supply chain management in trade.

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