

A REVIEW ON SUGAR SECTOR STRATEGY AND HOW TECHNOLOGY COMMANDS OVER IT IN TOTALITY.

Jogdankar Haridas B.

Assist. Prof. in Commerce & HOD. Business Economics ,
JASC, College, Affiliated Dr. BAMU, Aurangabad.

Abstract:

The main problem of the Ukrainian economy today is the total loss of production potential. Losing production, the nation turns into a outsider on the world economy, "drops out" of the arrangement of universal division of work, giving authority in the generation of customary merchandise for it to nations with bring down advantages, however more civilized way to deal with creation. One of these conventional items, which have dependably been "calling card" of Ukraine is sugar Methodology. The reason for the investigation of the sugar business, we have picked an orderly approach, in which the business is viewed as mind boggling, finish framework auxiliary components, joined by a typical reason. In the meantime, at that point the sugar business is nourishment handling subsystem, some portion of the procedure and part of horticulture. Research industry as framework and segment of a higher request relates to the need to expand the productivity of its improvement. The improvement of the sugar business in Ukraine ought not be a straightforward move starting with one framework then onto the next as and complex multifactorial process that speaks to the law of move of quantitative changes in quality. Usage of the primary objective of the sugar business in a dynamic situation is conceivable just if the determination and execution of compelling procedures must be incorporated with the technique of horticultural advancement and national monetary methodology. In this way, the subject of our examination are hypothetical and connected parts of effective improvement of the sugar business of Ukraine and the reason for investigate – procedure advancement area as far as European joining. Results. Under the improvement methodology of the sugar business, we comprehend the one of a kind arrangement of activities and choices on the most proficient method to accomplish advancement with negligible vitality framework. We trust that the key objective ought to be a making of present day, actually flawless, financially proficient and socially imperative sugar industry, ready to deliver focused items, fulfill the full residential interest for sugar, to guarantee the development of the state hold and grow the fare base. To accomplish this, the industry has various assumptions that are viewed as its abilities, and in addition various

limitations that hinder the improvement process can essentially impact the substance of the procedure or the procedure of usage and require expulsion. Together they shape the key position of the sugar business, which today we can describe as greatly powerless. Accomplishing key goal includes the advancement and execution of a bundle of measures which we have partitioned into three territories: rebuilding measures, specialized and innovative modernization of the business, enhancement of creation exercises and measures of hierarchical and financial adjusted sugar generation. Esteem/inventiveness. The execution of the proposed measures will beat the emergency on the primary stage, on the second – settle generation and make conditions for expanding it later on and, at last, guarantee monetary development in the long term.

Key words: sugar industry, sector, strategy, development, modernization, restructuring .

INTRODUCTION

The these days basic circumstance of the sugar business in Ukraine requires dire activity to handle the emergency, settle the business and financial development in the long haul. The main powerful device to take care of this issue is to build up a viable, science-based procedure for recuperation and further improvement of sugar industry. The strategy is a practical activity, a set of unique actions that achieve goals based on the rational use of resources and subjected to constant impact of changes in the environment. The unique strategy is a strategic vision for the development of the sugar industry in Ukraine considering the situation in the world and available potential that still remains. Without a sound, effective strategy for industry development trajectory remains unclear, and its prospects – unpredictable.

The complexity of the current situation depends not only on the deep decline of sugar in Ukraine, but also a high degree of instability of national and world economy, which makes high demands on the quality of strategy for its flexibility and adaptability, requires more attention to details. In other words, uniqueness is the main feature of the development of strategy of the sugar industry in Ukraine. It must neutralize threats, and use the potential, and enhance weaknesses of the industry. It's very relevant under conditions of deepening European integration, when the requirements for effective activity, competitiveness, technical and technological level of sugar Ukrainian grow repeatedly.

In view of the main features of the sugar industry, which not only consists of several subsystems and components, and itself is a subsystem of agriculture, its development strategy must be consistent and fit into the overall strategy of agricultural development of the country.

In this way, the subject of our exploration are hypothetical and connected parts of viable improvement of the sugar business of Ukraine and the motivation behind research – system advancement area as far as European integration.

The aims and objectives of the strategy

The process of developing a strategy is a sequence of stages, the main ones are: defining the mission field, formulating strategic goals and specification of a sub-goals, objective analysis of the possibilities and limitations justify actions and choices of alternatives that achieve the strategic goal, development strategy implementation mechanism.

The mission of the sugar sector in Ukraine is determined by its traditional role in the social and production needs of the population and food industry in one of the most important consumer basket of food – sugar.

Talking about strategy of the development of the industry, while forming strategic goal should focus on a desired result of this process, the achievement of which ultimately clearly characterize the efficacy of the strategy. Subsequently, the key objective of advancement is to make a current, in fact consummate, monetarily effective and socially vital sugar industry, ready to deliver aggressive items, fulfill the full residential interest for sugar, to guarantee the development of the state hold and extend the fare base.

Achieving the strategic goals ensured the consistent implementation of the objectives of lower level, including:

- Overcoming the crisis in the sector;
- Stabilization of production and creating conditions for its extension in the future;
- Ensuring sustainable economic growth.

Decomposition of strategic objectives allows to specify the tasks facing the sugar industry, and outline time horizons, defining priorities and future ones.

As optimality criteria by which the estimated impact of the objectives in the first case should be selected to minimize losses in the second – break-even condition, and the third – the maximization of profit for the current state of the sugar market and existing facilities industry.

The possibilities and limitations

The probability of achieving the strategic goal primarily depends on available opportunities and constraints that influence the effectiveness and efficiency of development strategy. Available in development potential can be used as the starting point of exit from the crisis and ensure future growth, it includes:

- Stable demand in the domestic market;
- Inexhaustible potential for increasing the resource base;
- The possibility of a comprehensive recycling and waste management, development of modern modes of production, including energy;
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- Formed human resources;
- Infrastructure software industry.

– The existing institutional framework.

Throughout the history of the functioning of the sugar industry in Ukraine demand for sugar showed more or less stable trend and, despite reducing its volume during the last decade primarily due to depopulation principle fall has not occurred. Given the stability of domestic demand can consider it as a primary factor in the rationale for the development of the sugar industry in Ukraine. In support of this possibility evidenced by the intense competition on the international market by cane sugar, as well as the manufacturers of more expensive products that are subsidized by their countries, high transport costs of imported sugar – all these factors make Ukrainian sugar producers a competitive advantage in the domestic market in the foreseeable future. In addition, as noted in Chapter Two, Ukraine has unique conditions for self-sufficiency of sugar beet, which can be considered an absolute competitive advantage not only in domestic but also in the international market of sugar. Creating appropriate incentives for the development of Sugar beet can provide almost unlimited resources.

The sugar industry provides a range of sectors, not only sugar, but its production waste, which is a valuable raw material, such as for alcohol industry, animal husbandry, agriculture, energy, mining and others. The most promising direction using waste sugar production today recognized an industrial production of high-octane additives, bioethanol, biogas and organic fertilizer. Using these capabilities not only save the sugar industry in our country, and give it a new impetus to development. In particular, Brazil, the world leader in the production of sugar, recycles only about half grown sugar cane, and the rest used to produce bioethanol. Thus the ratio of sugar cane used to solve food problems and energy problems are variable parameter that depends on energy prices and sugar. Most of Brazil's sugar mills have the capacity to produce both sugar and ethanol, but because it is the only exporter which can diversify within a year 5-10% of the capacity for processing sugar or ethanol for processing in response to changes in the profitability of these two products. This makes it flexible enough and, The sugar industry provides a range of sectors, not only sugar, but its production waste, which is a valuable raw material, such as for alcohol industry, animal husbandry, agriculture, energy, mining and others. The most promising direction using waste sugar production today recognized an industrial production of high-octane additives, bioethanol, biogas and organic fertilizer. Using these capabilities not only save the sugar industry in our country, and give it a new impetus to development. In particular, Brazil, the world leader in the production of sugar, recycles only about half grown sugar cane, and the rest used to produce bioethanol. Thus the ratio of sugar cane used to solve food problems and energy problems are variable parameter that depends on energy prices and sugar. Most of Brazil's sugar mills have the capacity to produce both sugar and ethanol, but because it is the only exporter which can diversify within a year 5-10% of the capacity for processing sugar or ethanol for processing in response to changes in the profitability of these two products. This makes it flexible enough and, depending

on the dynamics of markets sugar and ethanol can determine the scale of production and exports of both goods. This opportunity can be used in Ukraine.

Features of the sugar industry defined as technical potential, formed over the years, and although today depreciation most factories reaches 55-60%, and fuel, raw materials, auxiliary materials per unit of production higher than those in developed European countries accumulated potential cannot be ignored – it is the base from which stabilize the sugar industry and its future development. In addition, the industry is also positive examples. This is particularly powerful in Cherkasy region and one of the largest in Ukraine Palmirskiy sugar factory, which is produced daily to 18 thousand. Tons of sugar, which meet the highest quality standards and are supplied to companies focused on the use of modern food technology.

Human resources of industry are represented by technology experts, economists, managers and others. He also formed years of experience sugar industry, preparation of raw materials, the production process and so on. Of course, reducing the attractiveness of the industry, incentives to improve the quality of work and the deepening of disparities in pay led to the “washout” of specialists and flow them in other areas, however, subject to change trends rely on their return, professional development is possible.

Along with the opportunities and reserves, which the industry has for its development there are a number of limitations that could significantly affect the content or the process of strategy implementation. The most significant constraints for the sugar industry are:

- Technological backwardness and obsolescence of production;
- High specific resource consumption and low efficiency;
- Inefficient production management, poor manufacturing process and ineffective regulation of the sugar market;
- The lack of scientific and technological progress and a low level of innovation;
- A source of social tension;
- Lack of financial resources in the sector and its low investment attractiveness;
- Lack of integration, weak linkages between producers of sugar beet, sugar factories and scientific institutions (Danylyshyn, Strashynska, 2008).

Technological backwardness, outdated equipment is not a major obstacle in the development of the sugar industry in Ukraine. While the majority of the world uses sophisticated equipment, advanced technologies of deep processing of sugar beet, in our country the majority of sugar mills “celebrated” his century, the share of modern equipment is less than 30%, the rest – is extremely outdated. This is why sugar refineries are now three or even two weeks a year, which is extremely unprofitable. Hence the high cost of Ukrainian sugar, its discrepancy with European quality standards, low competitiveness, high loss of electricity, heat, water and, as a consequence – loss of almost all of the industry.

The mechanism of implementing the strategy

The condition for the effective implementation of the development strategy of the sugar industry has become an effective mechanism in the classical sense is a “converter” technical, technological, economic and organizational efforts and investments of Sugar on a pre-planned results, revenues, profits, production, competitive position in domestic and foreign markets and more. It includes a set of tools, a set of methods and means of influence on economic processes that ensure implementation of measures and achievement of strategic objectives, and consists of two subsystems – providing and functional. The first subsystem includes planning tools, encouragement, motivation, control, and the second – the tools of financial, material and staffing process development strategy.

Functional subsystem includes:

- Continuous monitoring of the situation and the impact on decision-making in the implementation of the strategy;
- Organization of communications staff in the implementation of the strategy, a joint adjustment of their actions;
- Motivation of staff;
- Risk management.

Providing subsystem includes:

- Available financial potential of the sector;
- A mechanism to attract investment. Total investment required for a deep restructuring and modernization of the industry exceeds the capacity of the state and the possibility of sugar factories, as the mechanism provides flexible combination of public and private investment;
- Technical support of implementation of the strategy.

In the process of implementing the strategy, any system is experiencing ongoing impact of the external environment, and therefore reacts to these influences, changing the trajectory of development, is trying to adjust to minimize loss or maximize your win. The mechanism of implementing the strategy should take account of these changes, an appropriate adjustment strategy, increasing its flexibility and adaptability. The sooner adjustments are made to the forecasts, strategic, tactical and operational plans, the more effective mechanism.

The mechanism of implementation of the strategy involves selection of the optimum combination of actions (options) for each stage of development that most adequately correspond to the trajectory of the realization of strategic objectives and conditions of the external and internal environment of the industry.

CONCLUSIONS:

The implementation of the proposed measures will overcome the crisis on the first phase, on the second – stabilize production and create conditions for increasing it in the future and, finally, ensure economic growth in the long term.

With the successful implementation of the development strategy of the sugar industry, the efficiency and effectiveness of the proposed technical and technological, economic and organizational measures can be expected positive changes in the socio-economic field, the reconstruction and stabilization of Sugar in the domestic sugar market, economic growth in the future, new jobs, improve social conditions of workers in the industry, winning stable positions on foreign markets.

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