

IMPLEMENTATION OF STRATEGIC PLANNING METHODS FOR THE DEVELOPMENT OF THE INDUSTRY

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Summary

The article considers the roadmap method as one of the most effective tools for the implementation of strategic planning in the field of innovative development of sectors of the national economy. Today certainly, the transport sector occupies a special place in the rapid and comprehensive development of the country's economy. This sector covers activities in the field of production, distribution, and consumption of goods (services) and plays an undeniable role in all areas of economic activity.

The expansion of economic ties between the countries of the world and the acceleration of integration processes have confirmed that the transport system is one of the main pillars of the national economy of each country. Specifying the socio-economic nature of transport services, researchers have long proved that this system is an important condition for large-scale reproduction. In this regard, in the current conditions of large-scale radical reforms in the economy, it is very important to formulate and implement a policy that takes into account the specifics of transport, and its role in economic and social processes. Therefore, for the sustainable development of the transport system, large-scale capital investments, the construction, and reconstruction of a large number of large transport hubs are required. The author presents the scheme and stages of development of an industry roadmap for air transport in Azerbaijan.

The study also carried out a STEEP analysis of the main factors of development, problems, and trends in the field of air transport and proposed a diagram of the relationship between them.

Keywords: *economic efficiency, strategic planning, road maps, air transport, STEEP analysis.*

JEL: *O1, O21, R42*

UDC: *338.47(479.24)*

Introduction. At present, the problem of developing and applying new approaches to foreseeing the future in terms of the severity of the uncertainty of forecasts is very relevant (Harrison, 2007). Management practice gives many examples when strategies are not adapted to the changing conditions of the external and internal environment, which does not give the desired results. Strategic management requires well-planned and carefully considered decisions.

We also observe the fact that existing methods and tools, accumulated information and knowledge are not always used in the sectors of the economy to analyze and take into account the uncertainty, complexity and speed of ongoing changes. The current stage of the formation of an economic model in Azerbaijan is characterized by the desire to create an effective competitive economic system, taking into account progressive trends and directions in the global world economy.

Literature review. To formulate a solution and implement the strategic objectives of economic development for 2017-2025, the government chose the method of road mapping. The road maps for the national economy and the main sectors of the economy, developed by the decree of the President of Azerbaijan I. Aliyev, are designed to ensure the concentration of material, labor and information resources to ensure the sustainability and progressive development of various sectors of the economy, increase their competitiveness and innovation activity (President of the Republic of Azerbaijan, 2016).

Research methodology. One of the main directions of the country's development concept is the accelerated development of transport infrastructure, which will ensure the growth of business and employment, as well as the improvement of the transportation management mechanism. Azerbaijan's civil aviation and its integration into the global air transport system play a special role in the emerging market infrastructure.

The most important strategic objective of the industry is to implement a safe, environmentally sustainable mode of transport in order to provide the economy and society with high-quality air travel. Given the importance of this type of transport for the development of the national economy, in providing employment, developing such areas as tourism and international trade, it seems appropriate to apply road maps in the management of this area.

Of all the features of roadmaps (Pavlov, 2016), we would like to emphasize, in our opinion, the most important ones, those that clearly distinguish them from the traditional constructions of strategic plans:

- the measures provided by the roadmap link together the business strategy, market data and technological innovations;
- the roadmap allows, at the stage of intermediate results, to make adjustments to the process of implementing the map using risk management and alternative scenarios.

Roadmaps are among the Foresight mixed methods tools, i.e. combine the signs of both quantitative and qualitative methods for predicting the prospects for scientific, technical and socio-economic development. In world practice, the road mapping method is known as one of the most effective methods for planning and managing the activities of economic sectors and large economic structures.

Main results. As you know, stimulating such an industry as air transport requires significant investment. At the industry level, the use of the roadmap makes it possible to focus investments on key technologies and products, link government measures for the development of the industry in time, and accelerate

strategic processes at all levels of the industry. In addition, strategic and tactical tasks and actions are linked to each other in the cards, alternative measures are provided in case. Also, a necessary element of the roadmap is risk assessment and the development of alternative development paths.

In the process of developing roadmaps in the analysis of the current state of the industry and the main trends in its development, traditional tools are used, such as SWOT analysis, the Delphi method, brainstorming, building alternative scenarios, etc.

The result of our study is the definition of the stages of development of the roadmap for the development of air transport in Azerbaijan and their content (see Figure 1).

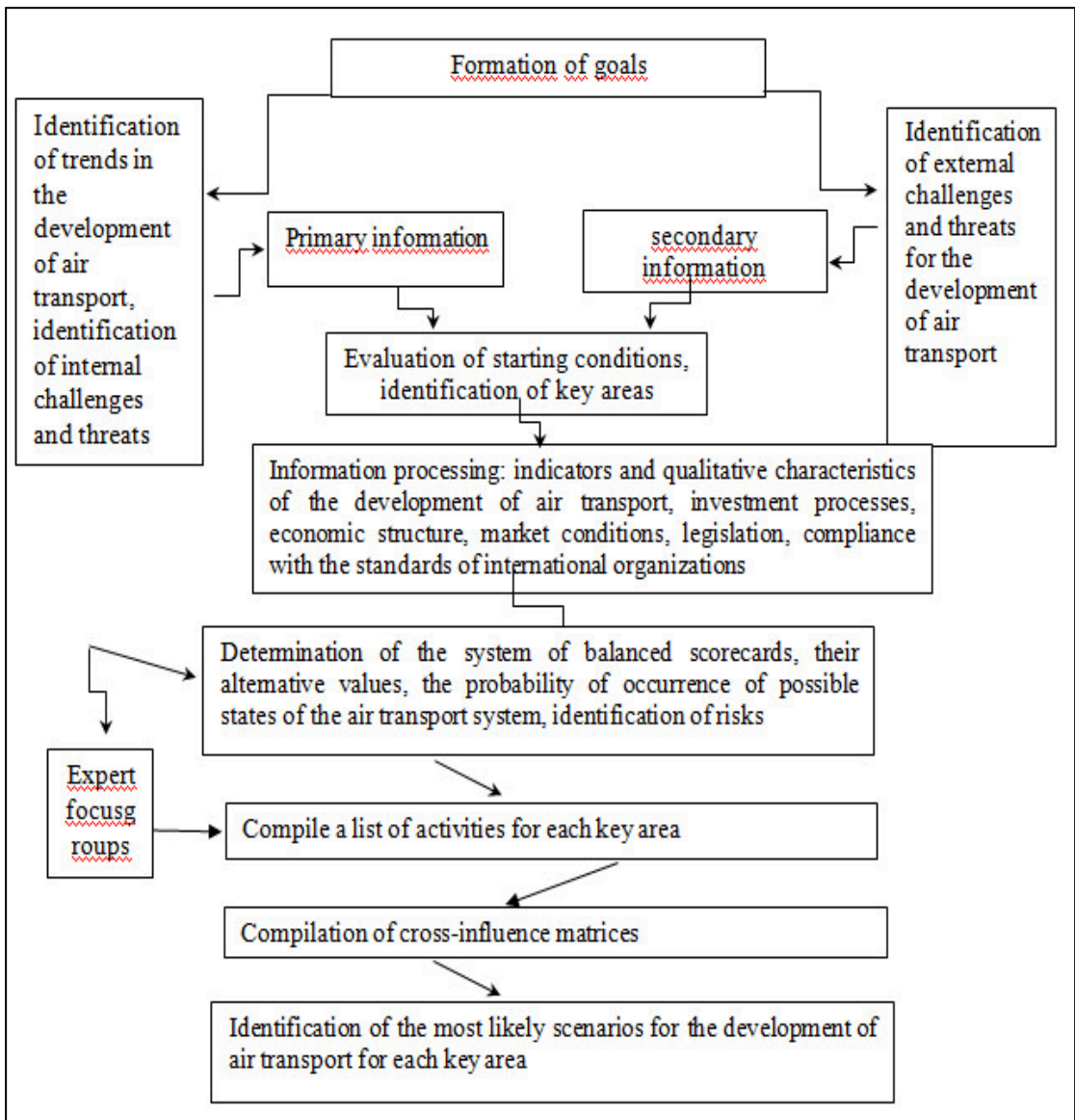


Figure 1. Stages of the roadmap development process for air transport

Source: made by the authors

At the first stage, it is necessary to identify key areas, the so-called “nodes” of the map, where we expect the main results, having previously determined the industry development trends, external challenges and threats, etc.

The result of the second stage is the definition of a balanced scorecard (in the areas of prospects for internal business processes, finance, the relationship of the system with consumers and areas of training and development of labor resources). Risks are also determined here and the probability of deviations of the system from the predicted states is calculated.

At the third stage, a list of specific activities and alternative scenarios are compiled for the key areas of the plan. Of particular interest is the cross-influence matrix. In the ongoing study, a method based on STEEP analysis (Pavlov, 2016) was used to construct this matrix.

Table 1. shows the trends and conjuncture-forming factors in the sphere of air transportation.

Table 1. Factors of the external and internal environment of the air transport sector

s Society	t Technology	e Economy	eco environmental protection	p Politics
s ₁ -training of personnel certified in accordance with international requirements s ₂ -changing consumer preferences	t ₁ -renewal of the aircraft fleet and aircraft equipment t ₂ -infrastructure renewal (airports, air navigation, etc.) t ₃ -ensuring flight safety and aviation security t ₄ -obtaining ICAO certificates for all types of activities	e ₁ -growth of costs e ₂ - increased competition in the industry e ₃ -joining global aviation alliances	eco ₁ -compliance with standards related to environmental requirements for aircraft	p ₁ - limited participation of private capital in industry development p ₂ deregulation p ₃ - providing market access for new airlines

Source: made by the authors

The factors influencing the sustainable development of air transport identified by the results of the STEEP analysis were studied by an expert group in order to identify mutual cross-links between them.

The results are shown in Figure 2.

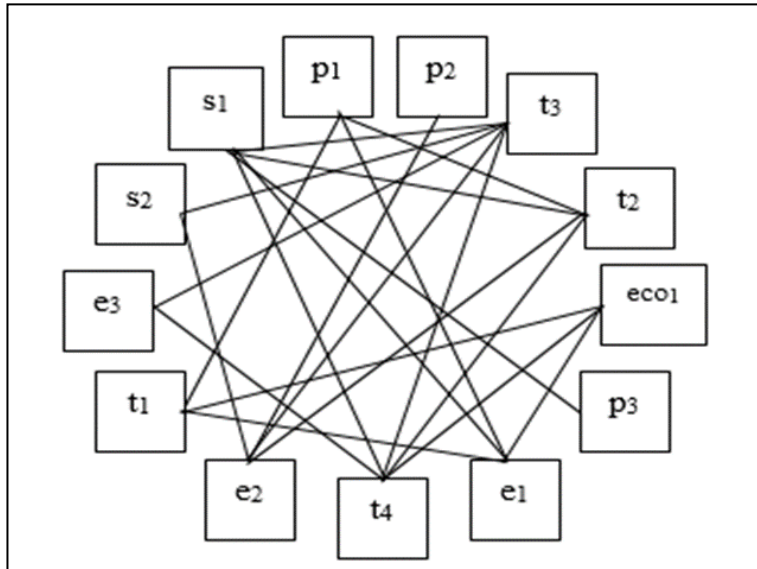


Figure 2. Relationship between trends and factors influencing the development of air transport

Source: made by the authors

Discussion and conclusions. The formation and implementation of road maps requires an analysis of the state of the object based on a large amount of information, the use of various forecasting methods and significant amounts of labor and financial resources.

The results of the STEEP analysis are used in the process of developing the roadmap and its plans and activities, by formulating the key factors influencing the increase in the competitiveness of the industry (Szigeti, Messaadia & Majumdar, 2011). They also provide an opportunity to interconnect factors and trends in the external environment, which should be taken into account in the future.

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