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DEFINING STRATEGIC INVESTMENT PRIORITIES IN BUSINESS ACTIVITIES

This paper underscores the role and position of investment activity within the framework of strategic enterprise management. It explores the economic essence and distinct characteristics of the investment process, which encompasses the issuance and accumulation of production resources as investment goods and services. It is argued that the investment process at an enterprise can be viewed from two perspectives: as a complex of potential alternative investment decisions based on available financial resources and the capability to attract additional funds (implemented through the development of the enterprise's investment policy strategy); and from the standpoint of each specific investment decision (the rationale and specific investment projects). The paper provides comprehensive recommendations that cover all aspects of the investment process to enhance the methodological support for selecting strategic investment priorities to ensure the enterprise's sustainable development. Distinctive features of financial and investment resources in the system of resource provision for enterprise development when forming an investment development strategy are highlighted. A matrix for defining the plan's priorities for investment provision of enterprise development is developed. It is substantiated that investment risk depends on numerous factors that directly influence the choice of investment strategy. To generalize the impact of these factors, a rating indicator is proposed, which considers the characteristics of investment attractiveness and the level of investment risk. The composition of attributes for assessing the investment attractiveness of the enterprise is justified, including the state of critical factors determining investment efficiency: technical-technological base of production; level of resource availability and efficiency of their use; economic parameters of business activity and financial condition of the enterprise; market demand dynamics and competitive intensity on the target market; level of management organization. Recommendations are provided for determining investment risk based on a summary of quantitative assessments of a complex of dangers and threats that are individual to each investment process participant.

Keywords: *investment activity, investment attractiveness, development strategy, investment strategy, strategic planning, investment priorities, investment resources.*

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ВИЗНАЧЕННЯ СТРАТЕГІЧНИХ ПРІОРИТЕТІВ ІНВЕСТИЦІЙНОЇ ДІЯЛЬНОСТІ ПІДПРИЄМСТВА

Обґрунтовано роль та місце інвестиційної діяльності в системі стратегічного управління підприємством. Досліджено економічну сутність та особливості здійснення процесу інвестування, який включає в себе випуск та накопичення засобів виробництва як інвестиційних товарів та послуг. Доведено, що інвестиційний процес на підприємстві можна розглядати з двох точок зору: як комплекс можливих альтернативних інвестиційних рішень, що приймаються, виходячи з наявності власних фінансових ресурсів та можливостей їх залучення (реалізується шляхом розробки інвестиційної політики стратегії підприємства); з позиції кожного конкретного інвестиційного рішення

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(обґрунтування та конкретних інвестиційних проектів). Подано рекомендації щодо вдосконалення методичного забезпечення вибору стратегічних пріоритетів інвестування в контексті забезпечення сталого розвитку підприємства. Виділено характерні риси фінансово-інвестиційних ресурсів у системі ресурсного забезпечення розвитку підприємства при формуванні стратегії інвестиційного забезпечення розвитку (інвестиційної стратегії). Розроблено матрицю визначення пріоритетів стратегії інвестиційного забезпечення розвитку підприємства. Обґрунтовано, що ризик інвестування залежить від багатьох факторів, які безпосередньо впливають на вибір стратегії інвестування. Для узагальнення впливу цих факторів запропоновано використовувати рейтинговий показник, що враховує характеристики інвестиційної привабливості та рівень ризику інвестування. Обґрунтовано склад характеристик оцінки інвестиційної привабливості підприємства: стан основних факторів, що визначають ефективність інвестицій: техніко-технологічна база виробництва; рівень забезпеченості та ефективності використання ресурсів; економічні параметри господарської діяльності та фінансового стану підприємства; динаміка ринкового попиту та гостроти конкуренції на цільовому ринку; рівень організації управління. Наведено рекомендації щодо визначення ризику інвестування на основі узагальнення кількісних оцінок комплексу ризиків та загроз, які є індивідуальними для кожного із суб'єктів інвестиційного процесу.

Ключові слова: *інвестиційна діяльність, інвестиційна привабливість, стратегія розвитку, інвестиційна стратегія, стратегічне планування, пріоритети інвестування, інвестиційні ресурси.*

Introduction. In an environment marked by increasing variability of business conditions, driven by both the acceleration of economic, scientific, technical, and socio-cultural development and the ongoing processes of reform and modernization of the national economy, the issue of selecting an investment strategy for domestic enterprises and foreign investors becomes not just critical, but also a matter of utmost relevance. The method of making investment commitments is always associated with the long-term allocation of a limited amount of financial, material, and other resources, and therefore, must be conducted with a perspective in mind, implying the necessity (for successful investment) of developing a comprehensive set of conceptual, long-term, and operational plans in this area. Consequently, a potential investor's choice of a strategic approach to the allocation of financial and investment resources (regardless of the sources of the funds: external or internal) should anticipate, firstly, the selection of priority investment targets (from among the range of such targets available on the investment market), and secondly, the determination of specific investment conditions for the chosen group of targets.

Analysis of Recent Research and Publications. Theoretical and methodological aspects of strategic planning for enterprise investment activities have been extensively explored by numerous respected researchers, including Baldo M.D. [5], Brin P. [1], Buffett W. [2], Cunningham L. [2], Dell'Atti S. [3], Figge F. [4], Gao X. [6], Hahn T. [4], Head A. [9], Helfert L. [7], Idowu S.O. [5], Jia Y. [6], Julian S. [6], Labini S.S. [3], Lowe A. [7], Nehme M. [1], Nyenno I. [3], Orfalea Z. [7], Prokhorenko O. [1], Schaltegger S. [4], Sean S.S. [8], Trabulsi H. [1], Wagner M. [4], Watson D. [9], Zatkowsky D. [7], and others. However, the specific issue of justifying strategic investment priorities for sustainable enterprise development still needs to be scientifically substantiated, presenting a significant gap in the current body of knowledge that necessitates further investigation.

Objective of the Study. The primary aim of this research is to provide a comprehensive framework for defining the strategic investment priorities that are crucial for an enterprise's sustainable development. By doing so, we hope to contribute to the existing knowledge of strategic investment planning and provide practical recommendations for business professionals and investors.

Research Results. Strategic management of an enterprise is a multifaceted and diverse process that excels in its adaptability to the ever-changing business environment. This adaptability enhances the justification for the development and effectiveness of the chosen development strategy, reassuring the audience about its effectiveness. It improves the adaptive capabilities of the enterprise, making it a robust tool for addressing changes in the business environment. Thus, managerial activities in the area of developing and implementing a system of strategic planning are generally aimed at creating appropriate and comprehensive prerequisites for addressing both prospective and current tasks of sustainable enterprise development, taking into account the existing and future state of external environmental factors, as well as ensuring constant proportionality and coordination in the operation of all its subdivisions. Strategic management typically includes managerial procedures for setting goals and selecting tools for their implementation, characterized by a broad scope that covers various aspects of the enterprise's operation and development processes.

Resource provision is not just an aspect, but a crucial pillar of strategic management at an enterprise. It involves the rational distribution of limited economic resources among various activities and determining the most effective options for their use to achieve strategic goals. This process is facilitated by the development of resource strategies, which help in deciding the prospective needs of the enterprise for all types of resources, calculating permissible resource constraints, identifying 'zones of strategic resources', and determining financial, logistical, and other parameters for the implementation of resource strategies. Emphasizing the importance of resource provision can make the audience feel the urgency of its role in achieving strategic goals.

Particular importance in the system of resource provision for strategic planning is the distribution of financial and investment resources, through which the overall interconnection and interaction of all other resource-based components for the enterprise's sustainable development are generally carried out. Characteristic features of financial and investment resources in the system of resource provision for enterprise development, and consequently, the strategy for investment provision of development (investment strategy) in the system of strategic plans, according to the author, include the following: orientation towards the long term; goal-directedness, which involves forming a system of priorities and goals for investing, upon which the sustainability of enterprise development depends; flexibility and adaptability of decisions made in this area; balance of investment projects in terms of terms and economic parameters of implementation; and an organic interrelation and subordination of the set investment goals to the overall financial strategy. These goals can usually be articulated in terms of expected (marginal) indicators such as capital growth, profitability levels of investments, income from investment activities, changes in the proportions of forms of natural and financial investing, changes in the technological and reproductive structure of capital investments, and shifts in the industry and regional focus of investment programs. Furthermore, the formation of an investment strategy must be aligned with the stages of the enterprise's life cycle and the specific types of activities that are the objects of investment. Stressing the alignment of investment strategy with the enterprise's life cycle can make the audience feel the relevance and applicability of the information.

Investment activity is the most crucial source for securing long-term competitive advantages for a business. Proactive investment allows for establishing a reliable foundation for sustainable economic growth. The effectiveness of investment management significantly influences the condition of a company's production base, the technical level of its capital assets, and the quality of its output.

Investments and related activities hold paramount importance for the reproduction process, driven by the need to enhance the efficiency of using production resources, a critical factor in ensuring stable economic development. The primary elements of social reproduction include the production, distribution, exchange, and consumption of goods and services, which are facilitated by incorporating production resources into economic circulation. Thus, investments play a decisive role in production, forming the material basis for its development.

Research into investment activity from the perspective of its role in increasing the volume of competitive production necessitates a detailed examination of how investment resources are utilized to materialize investments into means of production (assets used during the production and distribution of goods). The most crucial category of investment activity is the investment process, which encompasses the production and accumulation of means of production in the form of investment goods and services. Investment goods (means of production) differ from consumer goods (which satisfy immediate needs) by indirectly contributing to enhancing societal welfare and increasing national wealth.

Investment activity involves justifying and implementing the most effective forms of capital allocation to enhance enterprises' economic potential. Making investment commitments is always linked with the long-term allocation of financial, material, and labor resources and should thus be undertaken with a forward-looking perspective. The complexity of conducting investment activities is related to the temporal separation between capital expenditures and profit realization, and the magnitude of returns is probabilistic and influenced by numerous factors. The temporal aspect of investment activity necessitates a review of the investment process and its components, characterized as a period from decision-making to outcome realization and a comprehensive set of actions performed during this period. Therefore, the investment process at an enterprise can be viewed from two perspectives: as a complex of possible alternative investment decisions based on available financial resources and the possibilities for their mobilization (implemented through the development of an investment strategy) and from the standpoint of each specific investment decision (justification and implementation of particular investment projects). Direct and reciprocal feedback exists between these components of the investment process. On one hand, the development and implementation of investment projects must be consistent with the established investment policy. On the other hand, the period for which the investment policy is developed is primarily determined by the terms of the most promising projects. Moreover, the interdependence of these components is expressed in the unity and interrelation of the goals of investing and the investment projects themselves.

Investment decisions can only be considered in relation to other aspects of company operations. Thus, the relationship between financial and investment decisions involves the choice of investment directions and funding sources. Accurate and comprehensive consideration of the links and mutual influence of functional areas within the company helps reduce the entrepreneurial risks typical of investment activities. Additionally, the subordination of various components of the enterprise's planning system and defining the role of the investment plan depends on the nature of the investments.

The selection of an investment strategy for each enterprise should be based on information that characterizes the investment object itself (primarily its investment attractiveness) and the risk associated with investing in it. The state of the investment object can be assessed through a comprehensive economic evaluation, which allows for a general conclusion about the level of the enterprise's investment attractiveness based on both qualitative and quantitative analyses of economic, financial, and other processes. This is reflected by a system of specific indicators and a final rating indicator. The risk of investment depends on numerous factors that directly influence the choice of investment strategy. Therefore, as the essential elements of the indicator system, which forms the basis for constructing the strategy matrix, it is proposed to use the rating indicator of investment attractiveness (horizontally) and the level of investment risk (vertically), characterizing the actual threats to investment (see Fig. 1). This matrix helps visualize and decide on strategic investment moves based on two critical dimensions: the attractiveness of the investment and the associated risks. Such a tool assists investors and enterprise managers in making informed, strategic decisions tailored to the current status and risk appetite related to various investment opportunities. The strategic choices outlined in the matrix range from aggressive investment actions in high-attractiveness and low-risk scenarios to cautious or even disinvestment strategies where risk is high and attractiveness is low.

Investment Attractiveness Level \ *Investment Risk Level*	Low	Medium	High
High	Increase investments. Invest in mergers and acquisitions.	Increase investments. Invest in untapped niches.	Invest in untapped niches. Limit investment commitments.
Medium	Invest in untapped niches. Create unique competitive advantages.	Invest in untapped niches. Invest in innovative projects.	Limit investment commitments. Invest in short-term projects.
Low	Invest in diversification projects.	Limit investment commitments.	Limit investment commitments. Disinvest.

Fig. 1. **Prioritization matrix of the investment support strategy for the enterprises' development, author's design**

The assessment of an entity's investment attractiveness (whether it's the enterprise as a whole or a group of subdivisions engaged in a specific type of economic activity) involves a comprehensive characterization of the main factors determining the effectiveness of investments. These factors include the technical and technological base of production, the level of resource provision and efficiency of their use, economic parameters of business activities and the enterprise's financial state, market demand dynamics, the intensity of competition in the target market, and the level of management organization. It is proposed that the parameters for assessing investment attractiveness be aggregated by calculating a corresponding comprehensive indicator, known as a taxometric coefficient of development for multidimensional objects, which includes all alternative investment options in its calculation.

Investment risk (R) is determined based on aggregating quantitative assessments of a complex of risks and threats, which are individual to each participant in the investment process. This assessment identifies a system of factors manifested as a collection of individual risks (threats) faced by participants during the implementation of specific investment projects. The mathematical formulation for this could be represented as follows:

$$R = \begin{pmatrix} R_{11} R_{12} \,.\, R_{1n} \\ R_{m1} R_{m2} \,.\, R_{mn} \end{pmatrix} \tag{1}$$

where: n – represents the potential number of risks in the implementation of investment projects; m – denotes the number of project participants.

This model aims to provide a structured and quantifiable approach to evaluating the attractiveness and the risks associated with investment opportunities, enabling decision-makers to understand better and navigate the complexities inherent in strategic investment planning. By integrating technical and market-related factors into the assessment, enterprises can strategically align their investment decisions with broader corporate goals and market realities, enhancing their potential for success and sustainability. Consequently, the level of investment risk associated with a specific entity is a complex system comprising numerous interconnections, manifesting individually for each participant of the investment project. Therefore, the risk level of the i-th participant (Ri) can be described by the following formula:

$$Ri = \{R_{11}; R_{12}; R_{13}; R_{14}; R_{in}\} \tag{2}$$

Thus, it is most sensible to invest in enterprises characterized by a minimal level of risk and a maximum level of investment attractiveness. Additional data can also be utilized to select an investment strategy: anticipated profit size, the volume of invested capital, the profitability of investments over time.

Investments in enterprises with a medium investment priority should be approached with caution, particularly in exploring ways to improve their position in the strategy matrix through internal resources, particularly by enhancing their investment attractiveness. However, investment is feasible if an enterprise exhibits a high level of risk and high investment attractiveness. The next priority for investment includes enterprises characterized by low investment attractiveness coupled with relatively high investment risks. It's important to note that investing in such enterprises is not viable, and therefore, it is prudent for investors to refrain from denying them investment resources, except in cases where investment is necessary to achieve other objectives.

Conclusions. Determining the appropriateness of investments and selecting funding sources for investment activity should include the evaluation of investment projects along the following dimensions: marketing and economic justification of the production program of the enterprise receiving the investment; allocation of profits and costs at their points of origin during the implementation of the investment project; development of a sales schedule and determination of sales volumes by product groups, and budgeting for cash flow in a product assortment; distribution of sales profits by market segments, and by products depending on the stage of their life cycle.

The investment activity process at an enterprise is carried out in the following sequence: planning of investment activity; development of the investment project; investment; ongoing monitoring and regulation of the investment process; and evaluation of the effectiveness of the enterprise's investment activity.

In modern conditions, the intensification of investment activity is one of the conditions for its effectiveness. It is also important to note the significance of identifying sources of investment, as forming an enterprise's investment strategy is based on determining the funding sources. Investments and financing are closely linked and represent different aspects of the same investment process. On the one hand, obtaining capital is pointless with its subsequent profitable application; on the other hand, realizing investment projects is only possible with appropriate financing. Moreover, the choice of investment funding sources influences the following course of the investment process.

Directions for further research in this field will be associated with justifying methodological approaches to improving the system for evaluating enterprises' investment attractiveness.

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