

PROSPECTS FOR STRATEGIC DEVELOPMENT OF VITICULTURAL ENTERPRISES IN BULGARIA

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Abstract

For many years the viticulture and winemaking production in the country mattered of an intensive high-stock and structure-determining industry. The purpose of this paper is to be comparatively analyzed the competitive ability of wine sector and to be pointed ways for its improvement. we use as basic approach the swot-analysis of evaluation of competitive ability of economic sectors – evaluation of factor conditions and strategies of enterprises. Basic approach for enhancement of competitiveness of our wine sector in future is to diversify production. By deriving its competitive advantages and opportunities for sustainable development at the regional level with an emphasis on the development of production and processing facilities. As a result of using the method SWOT-analyse defines strategic goals such as the creation of skills and competencies in the field of strategic planning, cooperation in strategic business planning of small wine companies, diversification of sources of financial risk and maintaining the adaptability of small businesses to market requirements. The achievement of the strategic goals is realized through proposed 6 measures, in the proposed model, aiming at increasing the competitiveness of the enterprises and the sector as a whole.

Key words: competitive advantages, regional development, efficiency, competitiveness, viticulture sub-industry, modeling

INTRODUCTION

The main priorities in today's European strategy for the development of viticulture are competitiveness, which integrates productivity and competitiveness of production with the requirements of environmental protection and social responsibility. this largely corresponds to the opportunities of countries like Bulgaria to strengthen their focus on regional development in order to bring out the strong capabilities of individual territories. The issue of the competitiveness of the wine sector also corresponds to the European union's vision of developing and strengthening the wine market. in this context, the wine industry in Bulgaria needs a comprehensive analysis in order to determine its potential for its pulling development. it is important to note that viticulture in Bulgaria is formed in the

growing role of technology transfer and diffusion of innovations, which lead to the emergence and imposition of new business models, and hence new value chains. The topic of development of the wine products market and price competition is defined as a problem in Bulgaria [4]. This in turn leads to the need to justify the possibility of bringing to the forefront of sustainable competitiveness of the wine sector. In practice, the wine sector creates primary and secondary effects on the socio-economic development of the regions and on their ecological status [2].

In many parts of the country, viticulture is the main or only industry that guarantees employment for the local population and is the engine of regional economic development. Achieving competitive production directly affects employment, profitability and the development of related industries. Secondary effects can be sought on the reduction of

migration flows leading to depopulation of rural areas, attracting investment, development and valuation of the cultural and historical heritage of individual regions in the production and trade of wine [9].

This predetermines our goal to determine the strategic orientation of the wine sector in the direction of increasing the competitiveness of the sub-industry at the regional level in Bulgaria. At the same time to seek assessment and analysis of the competitive level and trends in the development of the wine sector [11].

Through this goal, the authors seek to identify the main factors that influence the development of this business. This mainly includes an analysis of the business

environment, determining the capacity and ability of economically active people in the wine industry to develop sustainable production, as well as to generate employment in rural areas of Bulgaria.

MATERIALS AND METHODS

The theoretical model for diagnostics and strategy of competitiveness of the wine-growing sub-sector is constructed on the basis of the use of the method of expert evaluation and the method of swot-analysis which is imposed as a standard way to determine the status of certain economically active persons. (Figure. 1).

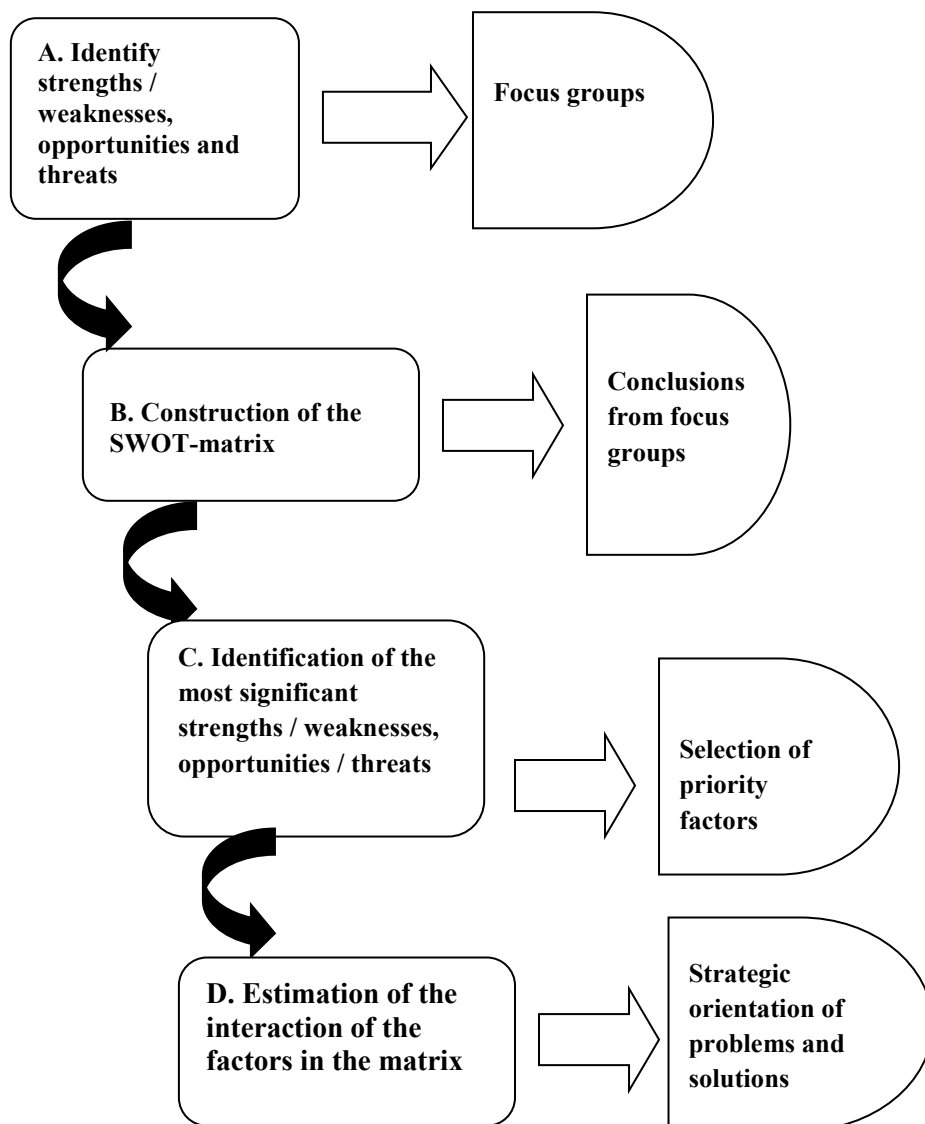


Fig. 1. Methodological approach for strategic orientation of sectoral competitiveness
Source: [3].

In our case, the SWOT analysis is supplemented by knowledge of all specific factors that have a direct and indirect impact on financial management.

This allows us to analyze the details and features of viticulture in order to deduce their specifics.

This approach allows at the level of management and strategic business planning to derive the fullest knowledge of the internal factors of the business environment that determine the future development of economically active people [8].

This approach requires the introduction of the business planning process through SWOT-analysis, which can be supplemented with PEST-analysis and a logical matrix to confirm the set priorities. To a large extent, our SWOT analysis is a sufficiently reliable method to identify strengths and weaknesses. In this sequence, the strengths and weaknesses of the management of the competitiveness of the wine enterprise as well as the opportunities and threats arising from the external environment are determined on the basis of the results of surveys, interviews and statistical analyzes in research [4].

The survey covers mainly enterprises in the wine sector and frames their needs related to their economic behaviour on the national and partly on the international market. We can note that based on the definition of focus groups, the conclusions of the research are the subject of discussion. In this direction, Figure 1 proposes an approach for identifying the needs, problems and potential solutions for the development of competitiveness. In terms of research, we will consider the proposed process of diagnosis and strategic orientation. The first stage (A.) identifies the strengths/weaknesses as well as the opportunities and threats to the competitiveness of vineyard enterprises. N Through focus groups of managers and specialists in business planning, the strengths and weaknesses and opportunities are discussed and determined and threats to the competitiveness of enterprises as well. During the second stage (B.) the aim is to construct a SWOT-matrix, which is the result of the discussions in the focus groups. The most frequently mentioned

strengths/weaknesses as well as opportunities and threats in the derived focus groups find a place in the matrix.

This matrix is subsequently used as a technique to identify two very important elements in the strategic orientation of the competitiveness of the sector, namely: (1) what are the most important strengths, weaknesses, opportunities and threats and (2) what is the interaction of strengths and weaknesses; weaknesses with the indicated opportunities and threats. In the third stage (S.), the most significant factors for the success of the management are sought. The method of expert assessment ranks the most significant strengths, weaknesses, opportunities and threats in a SWOT-matrix. The role of experts in the evaluation of these four building blocks of the SWOT-matrix is played by the managers and specialists from selected vineyards. The expert evaluation organized in this way aims to determine the most significant factors for the success of wine companies from the point of view of their managers.

In the fourth stage (D.) of the application of the SWOT-analysis, the interaction of the factors in the SWOT-matrix is determined. At this stage, the results of the expert evaluation are summarized. The individually completed SWOT-matrices of each respondent are aggregated in one generalized SWOT-matrix, which is a map of the summarized results of the expert assessment. The row "Sum" summarizes the individual scores in the cells by columns of the matrix. This order identifies the most significant opportunities and threats to the future development of enterprises. The higher the amount for the respective opportunity or threat, the more significant it is, according to experts. In the column "Amount" are the individual estimates in the cells by rows in the matrix. This column identifies the most significant strengths and weaknesses that can be used to establish the competitive advantages of enterprises. The higher the amount for the respective strengths or weaknesses, the more significant it is, according to experts. The generalized matrix can be used as a tool to identify the strategic orientation of wine

enterprises in their future development in terms of managing their competitiveness. In other words, the compilation of this matrix achieves two useful effects: (1) determines the direction of future development of enterprises and (2) identifies a set of alternative business strategies for the development of these production structures. The strategic orientation of wine companies is determined by the method of SOR-analysis (abbreviation of three key success factors, which are: strengths, opportunities and obstacles to development, strengths, opportunities and roadblocks). This is a method for defining a business strategy for future development of enterprises, which is based on the principle - attack the most attractive opportunities with the most significant strengths of the organization, by passing obstacles [6].

RESULTS AND DISCUSSIONS

The search for the assessment and analysis of the opportunities for strategic management of viticulture in Bulgaria defines the need to derive the territorial approach in the segmentation of the regions in which it develops and has a real economic impact on regional development. In this respect we can assume that the territory of the Republic of Bulgaria is divided into 4 wine-growing regions.

The northern region covers the lands between the Balkan Mountains and the Danube. The growing season lasts between 180 and 213 days - starting between 5 and 15 April and ending between 15 and 25 October. Temperature sums vary between 3,500 and 3,980°C. The average temperature during the hottest month is 21-24°C. In winter it sometimes falls below -18°C and the vineyards are endangered by frost. The annual amount of precipitation is between 550 and 600 mm, and in September and October it is about 90-100 mm. Within the region there are several dozen neighbourhoods. Conditions are relatively favorable for red varieties - Cabernet Sauvignon and Merlot. Local varieties such as Gamza and Pamid are also grown. Some white varieties also give good wines - Chardonnay, Sauvignon Blanc,

Aligote, Riesling. Larger wine centers are Ruse, Svishtov, Pleven, Suhindol, Lyaskovets and Vidin.

The Eastern (Black Sea) region covers Ludogorie, Dobrudja and a 25 ÷ 30 km strip of land on the Southern Black Sea coast. Temperature sums during the vegetation period vary between 3,600 and 4,000°C. The growing season lasts about 210 days, starting around April 15 and ending around November 10. The average temperature during the warmest month is 21-22°C. Precipitation is between 469 and 633 mm per year, and during the grape harvest is between 78 and 89 mm. The mild climate is favorable mainly for white varieties. Dimyat, Chardonnay, Sauvignon Blanc, Juni Blanc, Muscat Otonel, Traminer, Aligote, Rkatsiteli and Riesling are grown. Larger wine centers are Targovishte, Preslav, Varna and Pomorie.

The southern region covers the districts of Pazardzhik, Plovdiv, Haskovo, Stara Zagora, Sliven and Yambol. The annual temperature sum during the vegetation period is between 3,700 and 4,000°C. The vegetation of the vineyards begins in the first week of April and ends in the first week of November. The average temperature during the warmest month is 23-24°C. Winter frosts are relatively rare. The annual rainfall is between 530 and 650 mm, and during the grape harvest 80-90 mm. The soil and climate are favourable mainly for red varieties such as Cabernet Sauvignon and Merlot. The unique Bulgarian variety Mavrud is also grown on limited areas around Asenovgrad, Pazardzhik and Perushtitsa. Especially popular are the merla from Stambolovo, Lyubimets and Ivaylovgrad, as well as the cabernets from Stara Zagora and Sliven. Pamid, Muscat otonel, Dimyat, Rkatsiteli and other varieties are also grown. More important wine centers are Perushtitsa, Brestovitsa, Asenovgrad, Haskovo, Lyubimets, Stara Zagora and Sliven.

The south-western region covers the lands south of the town of Dupnitsa, along the Struma River. The most favourable is the wine-growing district around Melnik and Sandanski. Due to the relatively high temperatures (above 4,100°C during the

vegetation period) and the light brown and cinnamon forest soils of volcanic origin, the area is extremely favourable for viticulture. The duration of the vegetation period is between 220 and 230 days, starting in early April and ending in early November. The average temperature during the warmest month is 24-25°C. The annual rainfall is about 530 mm. The most important variety (about 75% of the vineyards) is Shiroka Melnik vine, which grows only here. Cabernet Sauvignon, Merlot and other varieties are also grown. Larger wine cellars are Damyanitsa, Harsovo, Sandanski and Blagoevgrad.

This predetermines that on the basis of the four regions it is necessary to bring out the number of wine enterprises. The data of the National Vine and Wine Chamber - Sofia, show that 9,280 vineyard enterprises operate on the territory of Bulgaria. For wine-growing enterprises we assume that the revenues from sales of wine and wine-cognac materials form at least 50% of the total revenues from the

activity. These enterprises must keep accounts according to the Accounting Act in our country and have vineyards registered with the National Vine and Wine Chamber in Sofia. In practice, there are enterprises that are seasonal in nature, which necessitated for the purposes of our study to make a random sample that includes enterprises that have year-round activity. This approach helped us to make a sample of 155 vineyards, which manage a total of 166,445 acres, which is 4.5% of the registered vineyards in the Republic of Bulgaria. The represented enterprises have a significant role in the development of viticulture in Bulgaria [7].

The analysis of the results of the study shows the factors determining the company and sectoral competitiveness of economically active people in the wine industry.

Table 1 shows the constructed SWOT-matrix showing the state of the sector at the level of summarized results.

Table 1. SWOT - matrix for identifying the factors for increasing the competitiveness of enterprises

STRENGTHS	OPPORTUNITIES
Adaptive and motivated to realize sales growth	Creating skills and competencies for strategic planning
Liquid	Cooperation regarding financial and innovation management
Striving to introduce innovations in production	Sharing the financial costs of creating and implementing innovations
They diversify the sources of financial risk	Establishment of mutual financial funds for financing innovations
They have a stable market share	New business models, allowing to increase the company's competitiveness
WEAKNESSES	THREATS
High indebtedness	Monopolistic structure of the market
Insufficient working capital	Strong dependence on the credit policy of commercial banks
They do not diversify the sources of market risk	Insufficient supply of experienced specialists on the labour market
Systemic gaps in the implementation of strategic planning activities	Tightening competition, the big ones are becoming more aggressive towards the market share of small market players
They do not have conditions for attracting experienced business strategists / They do not have a separate strategic unit in their management structure	Unequal access to state financial aid and subsidies

Source: Summary of focus group results. (summary of the opinion of 53 experts, divided into 3 focus groups).

Through the analysis of a matrix we are given the opportunity to derive measures to increase

the company competitiveness of enterprises in the sector. The important findings are that the

enterprises (micro and small ones) are adaptive and motivated to realize growth in sales and expansion of the vineyards, if they have the financial opportunity to do so. It can be assumed that they have good liquidity, but have problems with branding and presenting the strengths of their production in comparative terms. It is important to take into account that the wine industry needs the introduction of more innovations in production and especially in the storage of products and sales on the market. The study showed that wine companies invest mainly in technological renewal of their production facilities and in the implementation of quality management systems. Enterprises seek to diversify the sources of financial risk by using both equity and borrowed (external) capital for their market development. The industry has a large number of small and medium-sized enterprises with a relatively small market share and a very small number of large enterprises that own more than half of the market. Small businesses have a stable market share (ie they have built a small but loyal group of consumers of their products). In general, the regulatory and regulatory framework does not provide significant obstacles for enterprises in the wine industry, but on the other hand it is necessary to create conditions for the implementation of programs to increase the vineyards in Bulgaria.

Along with the outlined strengths, there are also serious problems in the sub-sector. They are identified as weaknesses in the management of wine enterprises, the participants in the focus groups indicate the following (Table 1). Basically, these are high indebtedness to major suppliers of raw materials and finance. The indebtedness is mainly to financial enterprises. Insufficient working capital to enable them to pay on time and thus improve their solvency. Businesses (mostly small ones) do not diversify their sources of market risk. They work mainly with one or two clients, on whose solvency they are directly dependent. There are systemic gaps in the enterprises in terms of the implemented strategic planning activities. Most of the experts (1/3 of the total number of

experts) in the focus groups share that they mainly focus on the activities in the field of strategic business planning, but not in terms of strategic control. Enterprises, mostly small ones, do not have the necessary conditions to attract experienced and capable business strategists to implement strategic planning activities. This task is solved by an external contractor/strategist, who does not know in depth the specifics of the wine sector. The potential of the development sector is significant in terms of built production capacity and fair demand for wine and grapes. These products have a traditional meaning in the menu of the Bulgarian. The existence of potential is not a sufficient condition for market presence and superiority, it is necessary to explore and identify opportunities for realizing this potential [1].

As a result of the discussions and the formulated conclusions of the analytical study, the following opportunities for increasing the competitiveness of wine enterprises have been identified. In this direction it is necessary to create skills and competencies for strategic business planning. Most business managers say that the lack of experienced staff in this area hinders market development. Providing strategic management with experienced specialists will increase the company's competitiveness of enterprises.

Cooperation in terms of strategic planning. This cooperation will not be in full, but only in terms of the implementation of strategic activities and in terms of concentration of capital, thus looking for opportunities to increase the corporate competitiveness of small businesses in the sector. Thus, these businesses will have a greater chance of developing a market dominated by several large players. Sharing the financial costs of creating and implementing innovations. In the course of the research it was found that small wine companies have the desire, but not the opportunity to be innovative and in this line to successfully compete in the market with the big ones. The main limiting factor of the innovation process in these enterprises is the significant amount of costs for financing innovations and innovation activities. In many

other sectors, the financial costs of creating and implementing innovative products are shared. In this way, major competitors in the market cooperate in terms of innovation costs in order to achieve greater market competitiveness [5]. Following this model can be applied to micro, small and medium-sized vineyards, which form clusters for research and development and innovation in partnership with scientific organizations in our country. Establishment of mutual financial funds. Innovations, which are a necessary factor for diversifying the product range, require funding. As already noted, the financing of innovation activities requires significant costs, which are risky and in some cases slowly pay off over time. The creation of financial funds for mutual assistance in the implementation of innovative activities among small and medium enterprises is a significant opportunity to increase their corporate competitiveness. New business models, allowing to increase the competitiveness of both enterprises and the sector as a whole. Very often, innovative solutions in the sector encourage the actors in the value chain to merge and / or integrate in the process of adding value. These strategic alliances present innovative business models to the market that can achieve a sustainable pace of market development and competitiveness.

Threats in the sector are factors that can significantly impair the competitiveness of enterprises. The analysis of the conclusions from the focus group discussions identifies the following significant threats. For example, according to expert assessment, the Bulgarian market has a monopolistic structure. There are few large players that dominate the market. Small and medium-sized market participants operate in conditions of fierce price competition. The expansion of the market share of the big ones is at the expense of pushing the small ones out of the sector. This leads to the seizure of consumer surplus. Strong dependence of enterprises on the credit policy of commercial banks. The survey determined that the enterprises in the sector (regardless of whether they are small or large) have significant indebtedness to the banking

sector. In the current economic conditions, when interest rates are still low and credit expansion is underway in the sector, companies are looking for ways to repay old debts to banks through additional bank financing. This dependence in the event of a change in the credit policy of commercial banks in the direction of raising interest rates on investment or business loans will play a bad joke on most companies in the sector. Insufficient supply of experienced business professionals in the labour market. The lack of sufficient specialists in strategic business planning impairs the implementation of strategic activities in enterprises and will increasingly force them to seek salvation in business outsourcing. In this way, important strategic activities will be delegated to external companies. This can have negative consequences on the effectiveness of strategic control in enterprises. The strategic management process will be slower to administer and will be a function of the solvency of the wine companies in relation to the outsourcing service provider [10].

As competition intensifies, the big ones are becoming more aggressive towards the market share of small market players. Significant threat that will lead to market failures and market restructuring into a monopoly structure. Unequal access to state financial aid and subsidies. There is a sense of injustice among managers and owners of small and medium-sized enterprises in the sector regarding the distribution of subsidies.

According to them, larger companies absorb most of the financial support and thus achieve even higher company competitiveness. In these structures there is a strong concentration of financial capital, which allows them to form a strong lobby in the face of the state. The elements formulated in this way in the SWOT matrix determine the critical factors for the development and increase of the company competitiveness of the wine enterprises. The next stage in the process of strategic orientation of the sector's competitiveness is the validation of the success factors and on the basis of this validation to solve two important problems: (1) what will be the strategic goals for the

development of competitiveness at micro and brand level and (2) what management decisions will be implemented to achieve these strategic goals. Once these tasks are solved, the main guidelines for increasing the corporate competitiveness of wine enterprises can be formulated.

Table 2 shows a summary assessment of the interaction of the factors (map of strategic decisions) that determine the company competitiveness of wine companies.

The map of strategic decisions is analyzed in the following aspects:

(1) identification of the most significant strengths and weaknesses in the management of the competitiveness of wine enterprises;

(2) identification of the most significant opportunities and threats to the development of the competitiveness of enterprises;

(3) strategizing the future development of the competitiveness of enterprises by identifying strategic goals and decisions for their achievement.

The map of strategic decisions shows that the experts (participants in the focus groups) determine the predominance of strengths over weaknesses in the surveyed enterprises, the assessment of strengths is 2,503, which is higher than the assessment of weaknesses - 2,396 (Table 2).

Table 2. Map of strategic decisions to increase company competitiveness

SWOT matrix		Creating skills and competence for strategic management	Cooperation in terms of strategic planning	Sharing the financial costs of creating and implementing innovations	New business models, allowing to increase the company's competitiveness	Establishment of mutual financial funds	Monopolistic structure of the market	Strong dependence on the credit policy of commercial banks	Insufficient supply of experienced specialists in strategic planning on the labor market	Tightening competition, the big ones are becoming more aggressive towards the market share of small market players	Unequal access to state financial aid and subsidies	Σ of line estimates	
STRENGTHS	Adaptive and motivated to realize sales growth	66	30	71	79	95	30	33	19	95	33	551	2 503
	Liquid	33	59	81	30	60	25	91	26	19	11	435	
	Striving to introduce innovations in production	95	55	75	15	55	91	75	57	85	28	631	
	They diversify the sources of financial risk	91	99	61	45	45	9	87	8	30	55	530	
	They have a stable market share	80	65	59	12	11	15	65	16	20	13	356	
WEAKNESSES	High indebtedness	60	91	71	44	41	30	99	65	11	15	527	2 396
	Insufficient working capital	95	33	81	15	19	59	54	11	57	51	475	
	They do not diversify the sources of market risk	15	30	11	19	25	81	77	19	83	77	437	
	Systemic gaps in the implementation of strategic activities	59	79	35	63	51	11	61	71	95	11	536	
	They do not have conditions for attracting experienced strategists /They do not have a separate strategic unit	93	31	9	33	33	9	11	85	28	89	421	
Σ of the grades in the column		687	572	554	355	435	360	653	377	523	383		

Source: Summary of focus group results (summary of the opinion of 53 experts, divided into 3 focus groups).

These expert assessment results determine that wine companies have the potential to increase their corporate competitiveness by attacking opportunities with their most significant strengths. As the most significant

strengths, the respondents identified the following:

(i)The aspiration of the enterprises to implement innovations in the production (see in figure 3, the respondents give an assessment - 631);

(ii) Small enterprises are adaptive and motivated to achieve sales growth by increasing their market share by differentiating their products (Table 2, the total score of the respondents is 551).

The most significant weaknesses that can hinder the process of increasing the corporate competitiveness of wine companies are:

(1) Systemic gaps in the implementation of strategic planning activities, ensuring company competitiveness. The respondents gave a grade - 536.

(2) The high indebtedness to the banks and the suppliers of resources, providing the activity of the enterprise (see in figure 3, the experts have given an assessment - 527).

In the process of strategic development of the company's competitiveness, the most important elements are the opportunities and threats that arise from the external environment. These are factors that cannot be controlled by the management of enterprises. The map of strategic decisions features the following two attractive opportunities for increasing the competitiveness of wine enterprises:

(1) Creating skills and competencies for strategic planning. This opportunity was assessed with the highest importance by the experts - 687 points;

(2) Cooperation on the strategic planning of wine enterprises. (Table 2, experts give a total estimate of this possibility - 572).

In the next stage of the analysis, the experts identify the most significant threats hindering

the process of increasing the company's competitiveness, namely they are:

(1) The strong dependence on the credit policy of banks. Respondents rated this threat at 653;

(2) The intensification of the competition on the market, as more and more the big players prevail. The sum of the evaluations of the individual experts is 523.

In this respect, the reform of the wine sector in the EU, unfortunately, is not going towards its liberalization, but the tightening of controls and regulations. Farmers want more money to be able to modernize their production and compete successfully. It is not recognized that the main problems in the industry come mainly from subsidies and regulations, which deter manufacturers from seeking market solutions for greater efficiency. Against the background of production constraints, subsidies, regulations and distorted incentives in the EU wine sector, it is clear that relying on aid is not a profitable strategy for the industry. The process of assessing the potential of enterprises to increase corporate competitiveness, by using the most significant strengths to take advantage of the most attractive opportunities ends with the definition of strategic goals and management decisions needed to achieve them [9].

The strategic goals need to be adequate to the identified opportunities. In this context, the map of strategic decisions is analyzed in 4 quadrants, assessing the interaction of the elements in the SWOT-matrix. The results of the analysis of the expert assessment are given in Table 3.

Table 3. Evaluation of the interaction of the elements in the SWOT-matrix

Quadrant 1. Assess the interaction of strengths with opportunities $S \rightarrow O$ <div style="background-color: #d9ead3; border: 1px solid black; padding: 5px; text-align: center; width: 100px; margin: 0 auto;">1,467</div>	Quadrant 3. Assessment of the interaction of strengths with threats $S \rightarrow T$ <div style="background-color: #f4cccc; border: 1px solid black; padding: 5px; text-align: center; width: 100px; margin: 0 auto;">1,036</div>
Quadrant 2. Assessment of the interaction of weaknesses with opportunities $W \rightarrow O$ <div style="background-color: #fff2cc; border: 1px solid black; padding: 5px; text-align: center; width: 100px; margin: 0 auto;">1,136</div>	Quadrant 4. Assessment of the interaction of weaknesses with threats $W \rightarrow T$ <div style="background-color: #d9ead3; border: 1px solid black; padding: 5px; text-align: center; width: 100px; margin: 0 auto;">1,260</div>

Source: Summary of focus group results (summary of the opinion of 53 experts, divided into 3 focus group).

Strategic goal 1. Creating skills and competencies in the field of strategic planning

In the Strengths-Opportunities quadrant, which has the highest score of the 4 quadrants on the strategic decision map, the highest score (95, Table 2) determines the interaction of the strengths "Creating skills and competencies in the field of strategic planning". The interaction assessment determines the main motives for pursuing the stated strategic goal. The results of the analysis of the expert assessment in the quadrant "Assessment of the interaction of strengths with opportunities" indicate that the training should contribute: first to increase the innovative activity of enterprises and second to the diversification of sources of financial capital. In this context, the training should be aimed at creating knowledge and competencies in financial management of the innovation process and financial risk management [8].

The main obstacles to the realization of the opportunity (strategic goal) is the insufficient working capital available to enterprises (in the quadrant "Assessment of the interaction of weaknesses with opportunities" the relationship of this weak country with the specific opportunity is assessed with the highest total score - 95). Another limiting factor is that a significant part of the enterprises do not have the financial resources to build a strategic unit or to attract a specialist in strategic business planning in their structure. That is why training at these companies is not very important.

Strategic goal 2. Cooperation in terms of strategic business planning of the world and small wine enterprises

Achieving this goal will increase the company's competitiveness both at the sector and at the enterprise level by enabling the diversification of sources of financial capital and by achieving an even more sustainable market share. In other words, cooperation in terms of strategic business planning will avoid the deficit of strategic management capacity of enterprises in the sector (mainly small ones) and will create conditions for reducing indebtedness.

Strategic goal 3. Diversification of sources of financial risk

Achieving this goal will allow wine companies to break away from the strong dependence of financial companies (banking and other financing organizations in the sector) and to create conditions for reducing indebtedness in the sector. Financial diversification will provide an opportunity to diversify the sources of market risk by concluding deals with more new customers.

Strategic goal 4. Maintaining the adaptability of small enterprises to market requirements

This goal will be achieved by creating conditions for increasing the innovation activity of small enterprises by allowing greater access to state aid and other financing alternatives. The main barrier to the realization of this goal are the systemic gaps in the implementation of the strategic planning activities. This necessitates proposing concrete measures to change the status quo for small wine companies.

The achievement of the strategic goals is realized through **proposed 6 measures**, in the proposed model, aiming at increasing the competitiveness of the enterprises and the sector as a whole.

Measure 1. "Training for creating skills and competencies in the field of strategic business planning of company competitiveness". The financing of such training will provide a prerequisite for the construction and development of organizational capacity in enterprises, which will more effectively implement strategic planning activities.

Measure 2. "Establishment of organizational capacity for the implementation of strategic activities in enterprises". The aim of this measure in combination with measure 1 is to increase the efficiency in the implementation of strategic activities in enterprises. The creation of managerial and executive competencies among the staff is the first condition for increasing the efficiency of the application of the activities. It is necessary to identify and build a financial unit or position in the organizational and management structure of enterprises, which will begin to

systematically impose the strategic approach to financial management.

Measure 3. "Creation of tools for strategic management of financial competitiveness". Measuring the effectiveness of the implemented strategic activities is an important aspect in the process of managing the company's competitiveness. The creation of tools for strategic analysis and control will support this process and increase its efficiency.

Measure 4. "Creation of macro-structures for strategic management of company competitiveness.". Small enterprises, due to their insufficient financial capital, cannot form a strategic unit to perform strategic business activities. The purpose of this measure is through cooperation, small businesses to build organizational capacity to implement strategic activities.

Measure 5. "Establish a financial system for mutual assistance." The purpose of this system is to support small businesses in the sector by creating alternatives for low-interest financing. This can be done by building a financial system at the sectoral level, centred on a mutual fund.

Measure 6. "Creating financial conditions to promote innovation". The purpose of this measure is to support small enterprises in their innovation activity both in financial terms and in the technological transfer between the nuclear education and wine sector.

The implementation of these 6 measures seeks to achieve a multiplier and synergistic effect on the implementation of each measure will allow to achieve more than one of the set strategic objectives. The implementation of the measures has a significant role in the development of organic production and protection of the components of the environment. This creates conditions for the wine sector of Bulgaria to develop according to the trends for insurance of quality, reliability and efficiency of production [12].

CONCLUSIONS

Strategic planning for the competitiveness of the wine sector requires specific intervention measures to be taken at both macro and global

levels. The sustainability of the competitiveness of the wine sub-sector requires diversity. There are many companies in the industry, but this is apparent. Most are in subcontracting relationships with each other, which defines them as highly interdependent. The participants in the network of values in the sector are determined by high indebtedness, which is the reason for their financial instability. This is a result of the lack of a clear long-term strategy for the development of individual enterprises. The variety in the range of wines on the market is great. But this diversity is not based on quality, but on price. The low income of the consumer determines the wine-growing enterprises to compete mainly in price, which also reflects on the quality. In order to cut costs, some companies rely on less good manufacturing practices. Insufficiently applied strategic activities determine the weak interest of wine companies in market requirements. All this determines the wine sector with a low degree of competitiveness and sustainability in the international wine market. Achieving sustainable competitive development of the industry is taking into account the specific factors in the sector such as varietal and age structure of the vineyards, production capacity, product range and adequate marketing for the sale of goods. Market demand is more flexible than supply when the price, income, taste, expectations, etc. change. This determines the higher inertia of the industry in the event of already changed market demand. The construction of the vineyard and the processing facilities is a time-consuming process and once they have become an asset, a weak interest in the products can be established, caused by a new change in the demand from the consumers of grapes and wine. Therefore, the main emphasis is placed on the choice of varietal structure, the diversification of production in the sector and the choice of business strategy adequate to market requirements. The main ways to achieve sustainable competitiveness in the sector, the introduction of the cluster approach, as well as the planting of new and consolidation of vineyards, which will allow

the introduction of production technologies to minimize economic costs in viticulture.

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