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SWOT ANALYSIS OF THE ACTIVITIES OF ADIDAS-UKRAINE DURING THE ESCALATION OF MILITARY ACTIONS IN UKRAINE

SWOT-АНАЛІЗ ДІЯЛЬНОСТІ ДП «АДІДАС-УКРАЇНА» ПІД ЧАС ЕСКАЛАЦІЇ ВІЙСЬКОВИХ ДІЙ В УКРАЇНІ

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The topicality of the topic lies in determining the perspective of adaptation of enterprises to the challenges dictated by military actions, including the annexation of business territories, destruction of fixed assets, migration of workers, constant risk to life and health. The main idea of the work is to develop recommendations for the private sector to continue working in Ukraine after a full-scale invasion, in order to provide the population with jobs, high-quality goods and services, and faith in the bright future of the state. The war caused troubles and cataclysms in the domestic economy as a whole and in the market of consumer goods, in particular, because a large part of trading points, shops, pavilions was destroyed and cannot be restored. Significant minus factors of the profitable activity of the private sector are the annexation of territories led to the usurpation of the fixed assets of trade enterprises, including; decrease in the number of the workforce – personnel of organizations; decrease in demand for clothes and accessories of popular brands, due to changes in values and financial capabilities; mass migration of potential consumers of the sports goods and services market; the lack of profits causes the predominance of the expense part of the balance sheet and, accordingly, the unprofitability of the activity; withdrawal from the consumer goods market of companies with a higher level of prices and product quality. The war also necessitated the reorientation of production to military lines, and therefore goods and services for civilians are not a priority; forced closure of shops, warehouses, sales points in the aggressor country; growing consumer sensitivity to the enterprise's business policy, the level of its assistance in achieving victory; and increased the global need to help the population, even in the face of the prospect of bankruptcy and withdrawal from the country's consumer market and increased tax pressure. And, in the end, it led to a decrease in the possibilities of receiving state orders, grants, subsidies, quotas.

Keywords: war and private business, ADIDAS-UKRAINE SE, post-war reconstruction, analysis of financial prospects, SWOT analysis of activities.

Актуальність теми полягає у визначенні перспективи адаптації підприємств до викликів диктованих військовими діями, включаючи анексію територій ведення бізнесу, руйнування основних фондів, міграцію працівників, постійний ризик для життя та здоров'я. Головною ідеєю роботи є розробки рекомендацій приватному сектору до продовження праці в Україні після повномасштабного вторгнення, задля забезпечення населення робочими місцями, високоякісними товарами та послугами та вірою у світле майбутнє держави. Війна стала причиною бід та катаклізмів у вітчизняній економіці в цілому та на ринку споживчих товарів, зокрема, оскільки значна частина торгових точок, магазинів, павільйонів зруйновано та не підлягає відновленню. Вагомими мінус-факторами прибуткової діяльності приватного сектору є анексія територій призвела до узурпації основних фондів підприємств торгівлі, в тому числі; зменшення кількості робочої сили – персоналу організацій; зменшення попиту на одяг та аксесуари популярних брендів, через зміну цінностей та фінансових можливостей; масова міграція потенційних споживачів ринку спортивних товарів та послуг; відсутність прибутків зумовлює переважання витратної частини балансу і, відповідно, нерентабельність діяльності; вихід зі ринку споживчих товарів компаній із вищим рівнем цін, і якістю продукції. Війна зумовила, також необхідність переорієнтації виробництва на військові рейки, а тому товари та послуги для цивільних не є пріоритетними; вимушеного закриття магазинів, складів, точок збуту у країні-агресорі; зростання чутливості споживача до політики ведення бізнесу підприємством, рівня його допомоги у здобутті перемоги; та підвищила глобальну необхідність допо-

моги населенню, навіть у разі перспективи банкрутства та виходу із споживчого ринку країни та збільшення податкового тиску. А, також, у кінцевому підсумку привела до зменшення можливостей одержання державних замовлень, грантів, дотацій, квот.

Ключові слова: війна і приватний бізнес, ДП «АДІДАС-УКРАЇНА», після воєнна відбудова, аналіз фінансових перспектив, SWOT-аналіз діяльності.

Formulation of the problem. The financial blow for the company was the war in Ukraine, and, accordingly, the forced necessity to withdraw from the Russian consumer market, due to the ethical and moral values of the company. The losses from the refusal to cooperate with the national football team, added to the closure of dozens of points of sale of the company's finished products, are simply staggering. Therefore, the search for solutions to optimize the pre-war movement of goods and funds is an urgent and currently unresolved problem of ADIDAS-UKRAINE.

Analysis of recent research and publications. Many Ukrainian and foreign theoreticians, among them Shubin O. O. [2], Anisimova L. [3], Voronkov D.K. [4], Gaidei O. O. [1], Guseva O. Yu. [5], Priymak N. S. [6], Silkina Yu. O. [7] and others. It is necessary to single out the statement of L. Belanger, who notes that changes are a transition from the current state to a desired one, when the current state is considered unacceptable, and the desired one is adequate and expected by stakeholders [8].

The identification of previously unresolved parts of the general problem consists in the possibility of understanding the prospects of the need to improve the assortment range and increase the volume of sales of the company's goods is to conduct a factor analysis

Formulation of the goals of the article (statement of the task). The main goal of the work is to carry out a SWOT analysis of the activities of SE "ADIDAS-UKRAINE" in the period 2021–2023.

Presentation of the main research material. An important factor that worsened the level of income and the ability to obtain internal

credit funds of the parent organization was the unprecedented crisis in the functioning of "Adidas".

Thus, the Adidas concern announced that they had decided to stop the supply and sale of products under the Yeezy brand and stopped cooperation with Kanye West. Kanye West's anti-Semitic statements, his approval of A. Hitler's policy and the inciting of conflicts and racist background became the reason for the termination of the extremely successful and very profitable cooperation. For the company, reputation is more important than potential income, but the losses from the termination of the contract became a big ular for the rating of the enterprise and its investment and credit attractiveness.

We are convinced that the most optimal solution for understanding the prospects of the need to improve the product range and increase the volume of sales of the company's goods is to conduct a factor analysis using the Table 1.

$$Y = 2300,4 \quad X_1^0 = 1\,550\,472.00 \quad X_2^0 = 674$$

$$Y = 1247,2 \quad X_1^1 = 602\,395.00 \quad X_2^1 = 483$$

$$Y = 2784,2 \quad X_1^2 = 1\,495\,090.00 \quad X_2^2 = 537$$

1st period: change in average output per employee per year:

$$\begin{aligned} \Delta Y &= \Delta Y_{x1} + \Delta Y_{x2} = \frac{X_1^1}{X_2^1} - \frac{X_1^0}{X_2^0} = \\ &= 1247,2 - 2300,4 = -1053,2 \end{aligned}$$

2nd period: change in average output per employee per year:

$$\begin{aligned} \Delta Y &= \Delta Y_{x1} + \Delta Y_{x2} = \\ &= \frac{X_1^2}{X_2^2} - \frac{X_1^1}{X_2^1} = 2784,2 - 1247,2 = 1537 \end{aligned}$$

Table 1

Input data for carrying out the logarithmic method of factor analysis of multiplicative models of average output per employee of ADIDAS-Ukraine

Indicator	Year	Revenue, thousand UAH	Number of employees	Average output per employee per year, thousand UAH
1	2021	1 550 472.00	674	2300,4
2	2022	602 395.00	483	1247,2
3	2023	1 495 090.00	537	2784,2

1st period: change in revenue impact:

$$\Delta Y_{x_1} = \frac{\Delta x_1}{\Delta x_2} * \ln \left| \frac{x_2^1}{x_2^0} \right| = \frac{x_1^1}{x_2^1} - \frac{x_1^0}{x_2^0} * \ln \left| \frac{x_2^1}{x_2^0} \right| =$$

$$= (602395.00 - 1550472.00) / (483 - 674) = 4963,8 * (0,0045) = 22,3$$

$$\Delta Y_{x_1} = \frac{\Delta x_1}{\Delta x_2} * \ln \left| \frac{x_2^1}{x_2^0} \right| = \frac{x_1^1}{x_2^1} - \frac{x_1^0}{x_2^0} * \ln \left| \frac{x_2^1}{x_2^0} \right| =$$

$$(1495090.00 - 602395.00) / (537 - 483) = 1513 * (0,0056) = 8,47$$

1 period change in the impact of changes in the number of employees:

$$\Delta Y_{x_2} = \Delta Y - \Delta Y_{x_1} = -1053,2 - 22,3 = -1075,5$$

2nd period change in the impact of changes in the number of employees:

$$\Delta Y_{x_2} = \Delta Y - \Delta Y_{x_1} = 1537 - 8,47 = 1528,5$$

$$1 \text{ period} / 2 \text{ period} \begin{cases} \Delta Y_{x_1} > \Delta Y_{x_2} \\ \Delta Y_{x_1} < \Delta Y_{x_2} \end{cases}$$

Based on the data in the table, we can confidently state that the volume of revenue from the sale of goods depends on the number of highly qualified personnel. We would like to pay special attention to the qualifications of the staff and their satisfaction with working conditions. We believe that an international internship and the possibility of a free lunch will increase the attractiveness of working at ADIDAS-Ukraine.

Yes, an internship in Germany will cost 20,000 hryvnias for one week, but such an option should be offered to experienced and hard-working employees, roughly a third of employees annually. And, accordingly, the company must allocate:

$$20000 * (537/3) = 3580 \text{ thousand hryvnias.}$$

The cost of a hot meal will cost:

$$250 * 220 * 537 = 29535 \text{ thousand hryvnias.}$$

It is also necessary to increase the amount of wages by 10% for personnel and 12% for the general staff.

So, in 2024, the average hourly wage at the enterprise will be 140 hryvnias, and, accordingly, 5,350 hryvnias per week, 22,544 hryvnias per month, and 270,550 hryvnias per year. A 12% increase in wages will guarantee an increase in the number of people who want to work at ADIDAS-Ukraine in 2025–2029 and satisfaction with the working conditions of already employed employees. Therefore, the allowance will be:

$$- 270550 / 100 * 12 = 32466 \text{ hryvnias;}$$

$$- 270,550 + 32,466 = 303,016 \text{ hryvnias;}$$

And, since 85-90% of the organization's employees are part of the general staff, the annual costs will be:

$$- 32466 * 506 = 16427796 \text{ hryvnias.}$$

The average salary of managers in the ADIDAS-Ukraine SE organization is 50,500 hryvnias, accordingly, a 10% increase will be:

$$- 50,500 / 100 * 10 = 5,050 \text{ hryvnias;}$$

$$- 50,500 + 5,050 = 55,550 \text{ hryvnias.}$$

Using the table 2, we will make an estimate of the costs of SE "ADIDAS-Ukraine" related to the optimization of the personnel potential of the enterprise, adding to the costs a safety factor, namely the reconstruction and construction of shelters.

A 10% increase in labor costs will guarantee a 10% increase in net profit.

And, accordingly, the net profit in 2024:

$$(87,875 / 100 * 10) + 87,875 =$$

$$= 96,662.5 \text{ thousand UAH;}$$

In 2025, this indicator will be equal to:

$$(96662.5 / 100 * 10) + 96662.5 =$$

$$= 106328.8 \text{ thousand UAH.}$$

In 2026, the company's net profit will grow to:

$$(106328.8 / 100 * 10) + 106328.8 =$$

$$= 116961.7 \text{ thousand UAH.}$$

Together with extremely negative processes of loss of company revenues, due to the high standards of behavior and humanity of the

Table 2

Cost estimate of ADIDAS-Ukraine in the period 2024–2027

№	cost item	The amount of expenses per employee	Number of employees	The total amount of expenses
1	Increasing the salary of the organization's management	5050	31	156550
2	An increase in the salary of the main staff of the organization	32466	506	16427796
3	Provision of free lunch	250	537	29535
4	Internship of employees abroad	20000	537/3	3580
5	Construction of shelter	6000	537	3222000
6	Together	63766	537	16647461

management of the concern, we observe a sharp increase in the main criteria for the quality of service provision and the ability to conduct profitable and highly profitable activities in the

main competitors of the Adidas concern, which is illustrated in the Table 3.

In order to understand the prospects of introducing an organizational and economic

Table 3

Competitive position of "Adidas", in comparison with other leaders of the international market of sports goods and services

Indicator	Adidas	Nike	Puma	Adidas cries in the overall rating
Assortment line	62	73	61	2
Staff loyalty index	19	24	8	2
Personnel qualifications	74	77	67	2
Professionalism of the staff	57	58	52	2
Assessment of management efficiency	71	77	81	3
Moral values, ethics of behavior	70	73	72	3

Source: compiled by the author based on [9]

Table 4

SWOT-analysis of the activities of SE "ADIDAS-UKRAINE" in the period 2021–2023

Strengths (advantages) of SE "ADIDAS-UKRAINE"
<ol style="list-style-type: none"> 1. Positive image, long history of successful operation, effective branding. 2. Recognition. 3. High quality indicators. 4. A large number of institutions in the world and in Ukraine. 5. Advantageous location of sales points. 6. A large number of warehouses and shops in relatively safe areas. 7. High efficiency of online sales.
Weaknesses (disadvantages) of ADIDAS-UKRAINE
<ol style="list-style-type: none"> 1. High prices available to citizens with an average or high income level. 2. Liquid assortment renewal, compared to competitors. 3. Underdevelopment of loyalty systems for regular visitors. 4. Absence of global sales. 5. Selection of unsuccessful marketing decisions. 6. Stagnation.
Possibilities for improving the effectiveness of ADIDAS-UKRAINE SOE
<ol style="list-style-type: none"> 1. Development of sports recreation for military personnel and their families. 2. Glorification of a healthy lifestyle. 3. Facilitating the development of new skills and abilities in the post-rehabilitation period. 4. Opening of new stores in today's annexed territories. 5. Sewing clothes for the military. 6. Tailoring and implementation of sports equipment and accessories for military personnel. 7. Strengthening of the state economy, accumulation of tax payments. 8. Provision of more jobs, reduction of population migration processes. 9. Providing opportunities for staff development, training courses in Ukraine and Germany.
Potential threats to the stable development of ADIDAS-UKRAINE
<ol style="list-style-type: none"> 1. Reduction of stores, warehouses, points of sale, due to military operations. 2. Reduction in demand for notoriously expensive goods that are not essential. 3. Increasing the productivity of competitor companies. 4. Increasing hate. 5. A large number of counterfeit branded goods at lower prices. 6. The emergence of a Ukrainian company producing sports goods and services subsidized by the state. 7. Increase in the tax burden. 8. Reduction in the volume of sales and production. 9. Decrease in turnover. 10. Increasing the population's sensitivity to provocative information regarding the continued sale of sportswear and footwear in Russia.

mechanism for increasing the efficiency of the subsidiary "ADIDAS-UKRAINE" during the active stage of the war, it is necessary to conduct a SWOT analysis of the previous results of the concern. This type of analysis includes consideration of the company's advantages, its shortcomings, threats to development and opportunities to increase potential.

Using the Table 4 we will consider the main components of the previous and current activities of the enterprise ADIDAS-UKRAINE in the period 2021–2023, grouped using a SWOT analysis.

Conclusions. Therefore, the competitive position of the Adidas company is high and leading, but there are a number of shortcomings in the work of the concern, which leave the

organization in second place in the ranking of manufacturers and sellers of products and goods for sports. The main disadvantages of the company's work are the lack of new collections, outdated management methods of the organization, and lower qualification of employees than in the company "Nike". In order to increase the rating of the organization "Adidas" and its subsidiary "ADIDAS-UKRAINE", it is necessary: to change the management of the organization by choosing an effective leader capable of changing trends in the international market of sportswear and footwear; to carry out additional training courses for the organization's personnel; select personnel with higher requirements and provide them with the opportunity to develop within the organization.

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