



FACULTY OF ECONOMICS
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STRATEGIC PLANNING OF THE COMPETITIVENESS OF THE WINE SECTOR

ABSTRACT

of dissertation for obtaining the scientific degree "Doctor of Science" in the scientific specialty "Organization and management of production (by industry and sub-industry)"

PLOVDIV, 2020

The dissertation was discussed and focused on the defense of an extended meeting of the Department of Management and Marketing at the Faculty of Economics, Agricultural University of Plovdiv.

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1. Prof. Vyara Krasimirova Slavyanska
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I. General characteristics of the dissertation

1. Relevance and motives for choosing the topic

The main thesis of the classical doctrine in the theory of competitiveness is that in the conditions of limited production factors, a leading problem in competitiveness management is the achievement of higher productivity of production factors. As a result of the implemented solutions to this problem for several decades of the last century, the industrial enterprises managed to increase their productivity many times and in the various branches of the economy began to accumulate surpluses of relevant goods and services. This has led to a rethinking of priorities. Under the circumstances created in the middle of the 20th century, the marketing department is situated as a leading unit in the application of strategic activities. Even today, a marketing management approach seeks a way to achieve competitive advantage and avoid overproduction. In the conditions of a growing number of the world's population, and hence of the public needs and limited factors of production, the approach of socially responsible management is increasingly talked about and imposed. In the long run, socially responsible management is doomed to failure due to the objective scarcity of production factors. Over the last half century, however, it has become clear that the objective scarcity of factors of production can be overcome if management finds a way to share and value knowledge and experience. Knowledge is increasingly playing an essential role as an inexhaustible source leading to the emergence of new business models, value chains and new sectors. Innovations presented as a result of valued knowledge, can solve the problem of overcoming the objective scarcity of factors of production in the economic system, as they are presented as a "new way of thinking" in dealing with typical socio-economic problems. Today, the theory of competitiveness states that the transfer of knowledge and its valuation is a major competitive factor. The innovative approach is increasingly emerging as one of the competitive factors in the development of the business model of the business organization. As Peter Drucker points out, innovation and marketing are the main management functions that ensure the development of the competitiveness of the business organization. that the transfer of knowledge and its valuation is a major competitive factor. The innovative approach is increasingly established as one of the competitive factors in the development of the business model of the business organization. As Peter Drucker points out, innovation and marketing are the main management functions that ensure the development of the competitiveness of the business organization. that the transfer of knowledge and its valuation is a major competitive factor. The innovative approach is increasingly emerging as one of the competitive factors in the development of the business model of the business organization. As Peter Drucker points out, innovation and marketing are the main management functions that ensure the development of the competitiveness of the business organization.¹ They are the "ezi and tura" of the coin called competitiveness. Innovation cannot exist as a competitive factor if we have not previously performed the marketing activities for the successful introduction of the new product on the market (market analysis, segmentation, targeting and positioning). Modern competitiveness theory strives for social responsibility to integrate another component, namely environmental friendliness. Encouraging governments to use bio-based technologies, green technologies or economizing ones is done precisely to achieve this goal. The idea is not to harm the needs of future consumer societies by encouraging this technological progress.

Relevance of the topic

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.² The issue of the competitiveness of the wine sector has led to the latest policy decisions at EU level, which declare a full desire to strengthen the Organization of the Common Wine Market. In this way, the national wine sector is directly affected, which justifies the relevance and urgency of the current research. Today, the competitiveness of the sector is formed in the conditions of the growing role of technology transfer and the diffusion of innovations, which lead to the emergence and imposition of new business models, and hence of new value chains. The wine market is defined as one in which price competition strongly dominates. All these factors require the imposition of the approach of strategic planning and control over the competitiveness of the wine business in our country.

¹ Drucker, P. Selected by Drucker. Ed. "Classic style", Sofia. 2004

² https://ec.europa.eu/info/food-farming-fisheries/plants-and-plant-products/plant-products/wine_en#committees

Achieving and developing sustainable competitiveness of the wine sector creates primary and secondary effects on the socio-economic development of the regions and on their ecological status. 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 the 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.

2. Aspects of problem research

Competitiveness is a complex social phenomenon that can be considered in socio-economic, political and environmental terms.

In socio-economic terms, it appears as an engine of social development, removing everything and anyone who can not adapt to market requirements. It is a higher form of knowledge and ability to adapt and dominate the market, leading to economic and social prosperity. Competitiveness is determined by a combination of different competitive factors. These factors are resources, knowledge, experience and motivation for their use in a given market situation, giving superiority over competitors. Competitive determinants reflect on the ability of the company better than competitors to meet the needs of its staff and consumers of its products and services. Competitiveness is the main mechanism for guaranteeing economic growth and employment.

From a political point of view, it can be argued that the competitiveness framework, both at the macro and micro levels, is a function of the policy decisions taken to regulate the sector. Government intervention in the sector can create sources of competitiveness, but can also hinder the development of sectoral competitiveness. These claims are evidenced by the widely used model of Michael Porter³ for research and diagnostics of national and sectoral competitiveness. A number of studies have shown that government intervention can create a monopoly influence on some players in the sector at the expense of others, or lead to a loss of competitiveness in both the national and international markets. In a political aspect, competitiveness is formed and developed taking into account the interest of stakeholders. Very often the interests of the stakeholders in the wine sector contradict each other when there is no clear vision for development and transparency in the management of the sector. This leads to decisions and regulations of the sector, which give precedence to the interests of one group of participants in the value chain at the expense of another. In other cases, consensus may be reached, which satisfies all countries, but does not allow for the development of sectoral competitiveness, taking into account market trends. It must not be forgotten that the market is that element of the system which removes the unadaptable players in the industry free of charge and rationally. Any government intervention distorts this mechanism and makes it subjective, working a certain group of stakeholders, the price being paid by all. In political terms, competitiveness still remains misunderstood as a process and phenomenon in human life, which leads to its unsustainable and volatile development. which free and rational removes unadaptable players in the industry. Any government intervention distorts this mechanism and makes it subjective, working a certain group of stakeholders, the price being paid by all. In political terms, competitiveness still remains misunderstood as a process and phenomenon in human life, which leads to its unsustainable and volatile development. which free and rational removes unadaptable players in the industry. Any government intervention distorts this mechanism and makes it subjective, working a certain group of stakeholders, the price being paid by all. In political terms, competitiveness still remains misunderstood as a process and phenomenon in human life, which leads to its unsustainable and volatile development.

In ecological terms, competitiveness is associated with an understanding of the specifics and functioning of ecosystems. These ecosystems consist of plants, animals and microorganisms that constantly interact with each other and in parallel they interact with the Earth's environment and atmosphere. Thus, ecosystems are characterized as societies of interconnected organisms that inhabit a common environment. They are not just a collection of different species of living organisms, but a complex system in which they have close symbiotic relationships. Natural ecosystems are self-regulating. They are systems that have inhabited the Earth long enough to build an effective mechanism for adapting to gradually changing environmental conditions. The factor that determines this ability is natural selection. In the wine sector, the factor determining the variability of enterprises is competition. It is a permanent mechanism for removing the insufficiently good and the unadaptable. The main requirement for achieving a competitive state of a system is to ensure its adaptation to environmental changes. Several common characteristics of the environment can be formulated: complexity, uncertainty, uncertainty, interconnectedness of

³Porter, M .. On competition, Harvard Business press. 1998.

the elements that make it up and mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. It is a permanent mechanism for removing the insufficiently good and the unadaptable. The main requirement for achieving a competitive state of a system is to ensure its adaptation to environmental changes. Several common characteristics of the environment can be formulated: complexity, uncertainty, uncertainty, interconnectedness of the elements that make it up and mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. It is a permanent mechanism for removing the insufficiently good and the unadaptable. The main requirement for achieving a competitive state of a system is to ensure its adaptation to environmental changes. Several common characteristics of the environment can be formulated: complexity, uncertainty, uncertainty, interconnectedness of the elements that make it up and mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. The main requirement for achieving a competitive state of a system is to ensure its adaptation to environmental changes. Several general characteristics of the environment can be formulated: complexity, uncertainty, uncertainty, interconnectedness of the elements that make it up and mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. which constitute its mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. which constitute its mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements. which constitute its mobility. This nature of the environment requires the system to have the properties: resilience, flexibility and adaptability. The environment creates conditions for uncertainty, threatening the sustainable state of the system. It seeks to destroy the order and hierarchical subordination of its elements.

Species and genetic diversity are a source of competitiveness for ecosystems. Species diversity plays the role of a systemic entrance to the ecosystem, through which energy and material flows pass, giving the system life. Through genetic diversity, the ecosystem responds to changes in the environment that are not sudden. Genetic diversity is an important factor in the evolution of all types of organisms, including humans. Genes store information that helps to realize the self-regulation of ecosystems, ie. helps the survival of the future organisms that make up this ecosystem. The productivity of ecosystems is sustainable because natural capital - soil, water, biodiversity and climate - are renewable resources. These principles also apply to the competitiveness of the business organization. It must be diverse in every respect such as the product range offered, raw materials used, technologies and ways of organization, ideas for development, continuity. The key to the competitive development of the wine sector is the diversity in each business process of the business organizations in the sector.

Ecosystems play an important role in sustaining life on the planet. They produce renewable resources that affect people's lifestyles. Of course, the global ecosystem, which is the source of all the resources needed by the economic system, is fragile and objectively limited. It needs time to replenish its resources and achieve its own homeostasis. The overexploitation of the resources of the world ecosystem, on the part of the economic one, makes it impossible for the former to maintain its homeostasis and achieve equilibrium. The interconnectedness of the two systems requires them to function and interact so that both have the opportunity to maintain the necessary homeostasis for their survival. This requires the wine sector to be environmentally friendly - to spare natural capital and to create opportunities for its storage for future needs. The wine sector is a production system created and managed by man in order to produce and trade products necessary for his survival. Increasing the productivity of the sector leads to simplification and standardization of production. The greater variety of activities complicates management, which defines it as an "enemy" of efficiency.

History has shown that in the process of achieving competitiveness, natural ecosystems have undeniable success. Artificial systems such as productivity-oriented viticulture cannot easily adapt to change and often lose their competitiveness. This requires the use of a new management approach, relying on the experience of natural ecosystems to achieve a competitive wine sector, by maintaining diversity in the ways of doing business processes of business organizations in their participation in the network of values. Diversity is required and achieved through real competition. This requires wine companies to be competitive if they want to be resilient to environmental change.

3. Purpose of the research

The aim of the dissertation is to analyze the competitiveness of the wine sector and to determine its strategic orientation in the process of increasing sectoral competitiveness. The author's aim is to identify the main factors - part of the business environment, determining the competitiveness of all participants in the sector and their impact in the future.

The aim of the research is decomposed into the following sub-objectives:

- Clarification of the role of strategic planning in the process of managing the competitiveness of the wine sector;
- Identification of the factors of the business environment (process drivers) that have a bifurcation impact (threshold change) on the competitiveness of the wine sector;
- Defining the strategic goals and measures ensuring the development of the competitiveness of the wine sector;

4. Thesis of scientific research and research hypotheses

The main thesis that is put forward for verification is that strategic planning is a working (reliable) approach that ensures the achievement and development of the competitiveness of the wine sector, both at micro and macro level.

The verification of the authenticity of the dissertation thesis is carried out by testing the following research hypotheses:

H1 - competitiveness is a complex (multi-layered) socio-economic process, the management of which requires the systematic application of the strategic planning approach;

H2 - there are indicators that can be used to identify competitive determinants arising from the business environment in the study of the competitiveness of the sector (at micro and macro level);

H3 - the degree of concentration of capital in the wine enterprise determines its potential for achieving and developing competitiveness;

H4 - the organizational form of the wine enterprise creates a framework for achieving and developing its competitiveness in a strategic aspect;

H5 - the main competitive factors in the wine sector are: (1) access to innovation, (2) access to marketing and (3) access to finance.

H6 - the implementation of strategic planning activities determine the ability of the wine enterprise to compete.

5. Tasks of scientific research

In order to achieve the goal of scientific research, the following research tasks are solved:

1. The importance of strategic business planning in the process of achieving and developing competitiveness in the wine sector is clarified;
2. Defining a conceptual framework for strategic planning of the competitiveness of the wine sector;
3. Development of a sound methodology and methodology for analysis and assessment of the competitiveness of the wine enterprise and the sector as a whole;
4. Analysis of the specialization, concentration, comparative and competitive advantages of the wine sector;
5. Diagnosing the competitiveness of wine enterprises;
6. Analysis of the factors determined as sources of competitive advantages of the wine enterprises;

7. Analysis of the strategic planning activities in the wine-growing enterprises with a view to the systematic application of the strategic planning;
8. Strategizing the competitiveness of the wine sector and outlining guidelines for its development;
9. Testing of research hypotheses and validation of the main thesis of the dissertation.

6. Subject and object of the scientific research

The subject of research is the competitiveness and the process of strategic planning of the competitiveness of the wine sector, both at micro and macro level. The object of study is the set of wine enterprises, which are the main participants in the value chain in the wine sector.

7. Research approach

The main approach to studying competitiveness used in the present study is the holistic approach. The idea is that all the properties in the system "competitiveness" (physical, social, economic, psychological, conscious, obvious and implicit) can not be explained by its individual components, and all taken, as a whole determine its state. The choice of this approach is necessitated by the fact that competitiveness is a multi-layered socio-economic category and as such, its study requires to be carried out through the prism of multifacetedness. It is necessary to take into account the impact of all elements in the system, as well as their interaction and reaction to the environment.

8. Limitations of scientific research

The interest in the study of competitiveness as a complex socio-economic phenomenon in recent years is huge due to the fact that regional, national and international (economic unions) economies operate in a global environment in providing their business models. Globalization is putting pressure on the competitiveness of economic agents, who need to adapt and develop rapidly in the global environment. Globalization leads to a high degree of entropy in the business environment and at any given time economic agents are in a state of insufficient awareness of opportunities and threats. In the present study, it is assumed that the business environment is complex, changeable, imperfect and requires the management of wine companies to make decisions without having access to all information about the state of the factors that make up the business environment. Competitiveness is perceived as a process that is determined by changes in the business environment. Through the method of scientific abstraction we strive to abstract from the specific features or manifestations of the processes that define the category of "competitiveness" and to understand its deep essence.

9. Main literary and information sources

The dissertation is developed using: scientific publications and works of Bulgarian and foreign authors; newsletters of international organizations - OIV, EUROSTAT, FAO, EIB; reports and bulletins of the Ministry of Agriculture, Food and Forestry of the Republic of Bulgaria, Customs Agency of the Republic of Bulgaria, reports of the National Vine and Wine Chamber - Sofia, reports and database of the Executive Agency for Vine and Wine, as well as a number of regulations. Empirical information for the purposes of the research is also provided by sample surveys and in-depth interviews conducted at the enterprise level on questionnaires prepared by the author, as well as by the financial and accounting reports of the enterprises.

10. Volume and structure of the dissertation

The dissertation is presented in an introduction, six chapters and a conclusion, located on 346 pages, used literature and appendices. The study is illustrated with 82 figures and 67 tables. 233 literary sources were used and cited in the dissertation.

11. Content of the dissertation

Introduction

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2. Nature and characteristics of strategic business planning
3. Types of business strategies

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1. Stakeholder validation
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3. Characteristics of the surveyed wine enterprises
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Chapter V. Analysis of the strategic planning activities of the wine enterprises

1. Analysis of strategic factors
2. Analysis of the sources of competitive advantages of wine enterprises
3. Analysis of the strategic planning activities performed by the management of the wine enterprises
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5. Results of testing research hypotheses
6. Conclusions and summaries resulting from the analysis of the strategic approach to managing the competitiveness of wine enterprises

Chapter VI. Strategic profiling of the competitiveness of the wine sector

1. Strategizing the competitiveness of wine companies
2. Identification of strengths / weaknesses and opportunities / threats in competitiveness management
3. A change management approach to achieve a higher level of competitiveness
4. Model of financial-innovation system for increasing the competitiveness of the sector

Conclusion

References

II. Main content of the dissertation

Introduction

In this part of the dissertation the arguments and motives of the author for the choice and topicality of the topic are presented. The main aspects of the study of the socio-economic category "competitiveness" are considered. The purpose of the scientific research is defined, the main thesis that is defended as well as the hypotheses that are set for verification and reliability. The main tasks of scientific research, which derive from its purpose, are given. The subject and the object of research are indicated and substantiated. The author has also pointed out the main limitations of the dissertation research.

Chapter I. The concept of strategic business planning

This chapter of the dissertation defines the specific features of the wine sector as an object of strategic planning. The essence and the characteristics of the strategic business planning, the types of business strategies, the subordination of the strategic planning with the marketing, with the financial and with the innovation planning are considered. At the end of this part of the dissertation are given summaries and conclusions regarding the nature of business planning as an approach to competitiveness management.

Nature and characteristics of strategic business planning

The business planning process follows the logic of the development of the business itself. The goal of any business is to create customers. Business goals are achieved through the exchange process. Every business aims to offer, deliver value to the consumer in order to make a profit. In this sense, the business enterprise produces products that have value (usefulness) for consumers and this production continues as long as it is profitable, ie. brings profit from the activity in the long run. Every business enterprise develops two main functions: marketing and innovation. These two functions bring results, the rest of the company's activity only generates costs.

Marketing is a concept, a vision of how the business enterprise should be managed. This is an activity aimed at satisfying human needs through the process of exchange.⁴ Marketing organizes and directs all economic activities to the transformation of consumer purchasing power into an effective search for a material product or service, so as to achieve the goal.⁵ Marketing as a management concept is placed at the beginning of the planning of the business enterprise⁶. This means that before organizing a production, the management of the business organization must study and establish the need of consumers for this production. The business planning process takes place in the following phases:

First phase: selection of a product to be produced by the enterprise. Each product is a carrier of value if it satisfies a certain need of the customer. The marketing department must make the choice of the products that will be produced. For this purpose, during this phase, market segmentation, selection of market segments and positioning of the company's products are performed.

Second phase: determining the prices, quantity and quality of the manufactured products and the methods of distribution.

Third phase: product advertising. Choice of ways to advertise the product. During this phase, the management plans what means of advertising it will use in order to most effectively reach information about the novelty of the product to potential customers (target market segments).

Innovation represents an innovation or change, which is purposefully introduced in the production of the business enterprise by the management.⁷ Most often, the term innovation refers to the introduction of new products in the production list of the company or an innovation in the technique and technology of production. Innovations are:

- *New product:* it is a product with significant changes in the form, content, packaging that are relevant to the consumer;
- *A real innovation:* products that create new needs for consumers or satisfy existing ones in a more efficient way than those marketed on the market.

⁴ Hetton, A. The exact guide to marketing planning. InfoDAR, 2001

⁵ Schwalbe, H.. Marketing practice for small and medium enterprises. Republic, 1995

⁶ Rakadzhiyska, St., St. Marinov. Marketing in tourism. Varna, 2004

⁷ Галанакис, К. Innovation process. Make sense using system thinking. Techovation, 26, 2006, pp. 1222 - 1232.

Strategic planning is a management process for developing and maintaining a viable compatibility between goals and resources and its change according to market opportunities⁸. The purpose of strategic planning is to form, model and change the model of the business enterprise and its products so that it can realize satisfactory profits and growth. The specific characteristics of this type of planning are determined by three key ideas: profit centers, profit potential and strategy. Profit centers are the products of the enterprise that have or will have the largest contribution to the final result of the activity; Profit potential - this is the potential of the company's products to meet the growing needs of consumers; Strategy - a way to realize the potential of the products of the business enterprise in market conditions.

The object of strategic business planning is the wine enterprise. This is an economic and organizational form of concentrating the means of production that the labor force uses for production⁹. The wine-growing enterprise can be characterized as an independent, legally, economically, organizational-technological and territorial organizational-economic form, in which in a certain way the elements of the production process are combined, depending on the goals and tasks that stand in front of her.

Summaries and conclusions regarding the essence of strategic business planning

From the performed literature analysis it can be concluded that strategic planning is a management process for developing and maintaining a viable compatibility between goals and resources and its change according to market opportunities. The purpose of strategic planning is to form, model and change the model of the business enterprise and its products so that it can achieve competitiveness in the market.

It can be summarized that the main elements of strategic business planning are the goal, business strategy and business tactics. These are the tools that are used to achieve market competitiveness.

The goal of any type of business is to create new customers or more precisely to create new needs in customers. This is done mainly through innovation and marketing. Strategy is a way of thinking and planning that leads to a better game than the main opponent in order to win. In the theory of strategic planning, business strategy means an approach, skill and art to define and use a competitive advantage, giving superiority over competitors. Business tactics are a way to create a competitive advantage by using three main factors - the state of the business enterprise, the state of competitors and the state of the market. For a business strategy to be successful, it must meet the following three conditions: feasibility, maintenance and consistency.

The organization of strategic business planning is based on three main pillars - marketing (marketing planning activities), innovation (innovative planning activities) and finance (financial planning activities). These three pillars determine the genesis of competitiveness and their study and combination in the process of strategic business planning determines the market success of the enterprise. The adaptation, development and strengthening of the business enterprise requires its management to comply with market requirements, to offer goods and services that fully meet market requirements. Competitiveness as an object of strategic planning is formed and determined by the financial framework in which the specific (selected) business model of the enterprise will be developed. The financial framework, expressed as the degree of concentration of capital, determines the potential for competitiveness of the enterprise. The financial framework determines whether or not the strategic activities in the enterprise, marketing activities and innovation activities, which are the main drivers of competitiveness, will be systematically implemented.

Chapter II Competitiveness of the wine enterprise and the sector as a whole

In this chapter of the dissertation the concepts - competition, competitive advantages and competitiveness are considered. Through the debtlateral literary analysis, the author seeks to cover all the immanent characteristics of the socio-economic category "competitiveness". The main approaches and theories explaining the essence of the competitiveness of economic enterprises are considered.

Competitiveness

Competitiveness as a phenomenon exists everywhere in nature. It is an analogue of the adaptability and variability of living organisms, a property that determines their ability to survive in a dynamic natural environment.

⁸ Каменов, К. Management. Abagar, 1999.

⁹ Radkov, J.. Management - science and practice. Ed. Science and Practice, Sofia. 2001

Opinions on the nature of the category of competitiveness of the enterprise are diverse. One of the authors Ribov M.¹⁰ Chobanyaneva I.¹¹, Danailov D.¹², Marinov G.¹³, Minko V. Krichevsky M.¹⁴, Ivancevich J.¹⁵, Lifitz I.¹⁶ link the competitiveness of the enterprise with the competitiveness of its products. According to The Aldington Report¹⁷ "Products are competitive when produced in higher quality at minimum production costs compared to competitors"¹⁸. Product quality means "the set of properties that determine the suitability of a product to meet certain needs in accordance with its purpose"¹⁹. The connection between the quality of the manufactured product and the competitiveness of the enterprise and the products produced by it is essential. The main problem in defining the competitiveness of production is that quality is a strictly subjective economic category and as such there is still no reliable tool for its study. The subjectivity of the category - "quality" stems from the fact that when consuming the created product (good), consumers give different meanings and measure the usefulness obtained. This restrictive condition sets barriers for quantitative measurement of quality and determining its role in shaping product competitiveness. According to Pride, the leading role "in assessing the competitiveness of products should be the consumer."²⁰ the client is the one who evaluates the success of the efforts of the company's managers to respond to market requirements. The main criticism of the idea that product quality determines its ability to compete in the market is in the direction that total quality management systems are based on the principle of standardization. Quality management systems use standards based on which quality of production is guaranteed. These standards measure deviations and take corrective action, i.e. they play the role of controlling in the production process. Taking quality management to heart as a tool to achieve a competitive advantage,²¹

Another part of the authors Drucker P.²², Petkov L.²³, Sergeev A.²⁴, Avila H.²⁵, Porter M.²⁶ determine the competitiveness of the enterprise with the efficiency of production, expressed by the high productivity of the factors of production. Pettigrew A.²⁷, Galbraith C.²⁸, Rumelt R.²⁹, Lockshin L.³⁰, Twomey D.³¹, Barinov VA³² determine the competitiveness of the enterprise with the degree of adaptability to the changing environment. According to Buckley P.³³, Pride W.³⁴, Паунов М.³⁵ the competitiveness of the enterprise can be judged by its profitability (of assets and equity). Lipsey RE³⁶, Kirpalani VH³⁷, Van Duren³⁸, Armstrong and Collopy³⁹, link the competitiveness of the enterprise with the size of the market share of its products. According to them, the larger the size of the won market share of the company's products, the more competitive it is. According to Zikmund

¹⁰ Пулов, М. Competition and competitiveness of the tourist product. Ed. Farm, Sofia. 1997. p. 22.

¹¹ Chobanyaneva, I. Quality management and competitiveness. Ed. TU, Varna. 1998. p. 141.

¹² Данайлов, Д. International Business Analysis, UK. Luren, S. 1999.

¹³ Marinov, G. The quality of production and the competitiveness of enterprises. Ed. Alma mater international, Gabrovo. 1998. p. 4.

¹⁴ Minko, V., Krichevsky, M. Quality and competitiveness. Ed. Peter, Moscow. 2004.

¹⁵ Ivancevich, J. Management: Quality and Competitiveness. Burr Ridge etc., Irwin 1994

¹⁶ Lifitz, IM Theory and practice of assessing the competitiveness of goods and services. Jurait, Moscow. 2001

¹⁷ Cit. in Radev, T. Marketing strategy for management of wine production and trade. Dissertation for awarding ONS "Doctor", 2005, p. 65.

¹⁸ Avila, H. Evaluating the Competitive Position of an Industrial Firm, The George Washington University, Washington DC 1997.

¹⁹ Kostov, D. Quality Management. Iskra MI, St. Zagora, 2007, p. 7

²⁰ Pride, W., Ferrell O. Marketing: concepts and strategies. Farcom, 1994, pp.33-34

²¹ Олсен, Б. The future of value creation and innovations: Aspects of a theory of value creation and innovation in a global knowledge economy. International Journal of Information Management. 30, 2010, pp. 502 - 511.

²² Drucker, P. Management challenges in the 21st century. Ed. Classic style, Sofia. 2000. pp.69-70

²³ Petkov, L. Factors of the competitiveness of agricultural cooperatives. JSI magazine 6/1994.

²⁴ Sergeev, A.. Competitiveness of Russian enterprises in anticipation of Russia's accession to the world trade organization: Directions and methods of marketing research, II International Conference - Marketing in the era of globalization; concepts and trends, Burgas. 2003.

²⁵ Avila, H. .. Evaluating the Competitive Position of an Industrial Firm, The George Washington University, Washington DC 1997 p. 56.

²⁶ Porter, M. .. On competition, Harvard Business press. 1998.

²⁷ Pettigrew, A. Context and Action in the transformation of the Firm. Journal of Management studies 24: 6. 1987. pp. 649-670.

²⁸ Galbraith, C. Transferring Core Manufacturing Techniques in High - Tech Firms, California Management Review. 1990. pp. 56 - 70.

²⁹ Rumelt, R. Diversification strategy and Profitability. Strategic Management Journal 3 - 4 (1992), pp.359-369.

³⁰ Lockshin, L., Bruning, E. ; Fundamental Elements in the Definition of Organizational Competitiveness, Gestion 2000.

³¹ Twomey, DF Organizational competitiveness: Building performance and learning. Competitiveness review 12, (2) 2002, p.10

³² Barinov, VA. Development of the organization in a competitive environment. Mr. Management in Russia and abroad 6/2000 p. 35.

³³ Buckley, P. Measures of International competitiveness: A critical survey. Journal of Marketing Management, 1988. p. 176.

³⁴ Pride, W. Strategic Adaptability and Firm Performance: A market-contingent perspective. Journal of Marketing 53: 3. 1989. pp.21-35.

³⁵ Паунов, М. Business strategies. Ed. Dino - IM, Sofia. 1995. p. 21.

³⁶ Lipsey, RE, Kravis, JB. The competitive advantage of US multinationals 1957-1984. Banca Nazionale Del Lavoro, Quarterly Review 1987, 161, pp.147-165.

³⁷ Kirpalani, VH, Balcome, D. International marketing success: On conducting more relevant research. Managing Export Entry and Expansion, NY 1987.

³⁸ Van Duren, Martin, L., Westgren, R. Assessing the competitiveness of Canada's Agrifood Industry. Canadian Journal of Agricultural Economics (39), 1991 pp. 727-738.

³⁹ Armstrong, JS, Collopy, F. Competitor orientation: Effects of objectives and information on managerial decisions and profitability. Journal of Marketing research, 33, 1996 pp.188-199.

W.⁴⁰, Kleiman L.⁴¹, Emilova I.⁴², Gorynia M.⁴³, Жданин В.⁴⁴ the competitiveness of the enterprise is determined by two factors: price leadership and product differentiation.

Price leadership is the ability of an enterprise to produce its product at a lower cost than its competitors. The main reason for this according to Owen N.⁴⁵, Паунов М.⁴⁶ is the ability of the enterprise to realize economies of scale. The company manages to minimize production costs and sell its products at lower prices than its competitors.

Product differentiation is a marketing image built by the customer that by consuming the products of the enterprise, he receives an additional benefit that is missing in the consumption of competing products. Product differentiation is the ability of the company to build a loyal demand for its products.

According to Terptsra D.⁴⁷, Чанкова Л.⁴⁸, the competitiveness of the enterprise is determined by the availability of innovation. Liao J.⁴⁹ points out that the lack of innovation in the company will reduce its competitiveness, other things being equal. According to Ikherd J. and Jansen J.⁵⁰ the introduction of new production technologies is a key factor for increasing the competitiveness of enterprises. The aim is to achieve higher productivity of production factors and minimize production costs.

The ability of an enterprise to compete often also depends on which part of the value chain it is located in. Some authors such as Johannessen, J., Olsen, B.⁵¹, Reception, RL⁵² determine that the enterprise is competitive when it manages to exploit most of the value generated along the chain. In many cases, companies that create new value (innovation) fail to "retain" it and exploit it for long-term profit in the industry. This requires, in addition, that an enterprise that creates and / or operates an already established value chain so that its market share grows steadily over time is competitive.

Summaries and conclusions on the socio-economic category "competitiveness"

As a result of the literature review, the following summaries and conclusions can be made about the nature of the categories - competition, competitive advantages and competitiveness:

- Competition as a phenomenon exists only in the free market. It is the market that evaluates how to distribute the limited factors of production and how to meet the unlimited needs of society and individuals;
- In the current economic conditions, where companies form and develop their competitive advantages in the context of globalization, the question is increasingly on the agenda - whether to compete or cooperate to achieve better market performance? Today we are witnessing how the participants in the value chain in different parts of the value chain exhibit both competitive and cooperative behavior. This phenomenon can most often be seen in industries and economic sectors where the development of value chains depends on the rapid introduction of innovations. The process of technological renewal and the organization of innovation production is a risky and capital-intensive process that forces companies in a part of the value chain to cooperate and share both the investments to create innovation, and the risk of its management. This process or phenomenon is called co-competition and attracts interest among the scientific community, which seeks to determine what beneficial effects are realized for the economy as a whole.
- Competitive advantage can be defined as the potential of resources, knowledge, experience and motivation to use them in a given market situation, giving superiority over competitors;
- Competitive advantages are formed by a combination of factors, the most significant in the scientific literature are innovation, marketing and finance. The sustainable development of competitive advantages

⁴⁰ Zikmund W. - Business: The American Challenge for Global Competitiveness Burr Ridge, Irwin 1995 pp. 6-7, pp. 216 - 217.

⁴¹ Kleiman L. - Human resource management: A tool for competitive advantage New York, West 1997.

⁴² Emilova, I. The Influence of Company Policy on the Competitiveness of Travel Agencies. Ed. Avangard Prima, Sofia. 2005. p.11.

⁴³ Gorynia, M. Competitiveness of Polish firms and the European Union enlargement. Competitiveness Review vol.14, 1-2, 2004.

⁴⁴ Zhdanin, V.D. Management of enterprise development on the basis of increasing its competitiveness. Abstract, Nizhny Novgorod. 2000. p. 9.

⁴⁵ Owen, N. Economies of Scale, Competitiveness and Trade Patterns within the European Communities, Clarendon Press Oxford 1983.

⁴⁶ Паунов, М. Business strategies. Ed. Dino - IM, Sofia 1995. p. 24.

⁴⁷ Terptsra, D.EHRM: A key to competitiveness. Management Decisions 32, (9), 1994 pp.10-14.

⁴⁸ Чанкова, Л. Increasing the competitiveness of a small company by improving its innovation activity. Machinery Mechanization Magazine 4/2001. pp. 35-38.

⁴⁹ Liao, J. Corporate restructuring, performance and competitiveness: An empirical examination. Competitiveness Review vol.15, 1, 2005 pp. 15-33.

⁵⁰ Ikherd, J. Jansen J. Agriculture, Energy and Sustainability. Agraria 253. Swedish University of Agricultural Sciences. 2002. p. 35.

⁵¹ Johannessen, J., Olsen, B. The future of value creation and innovation: Aspects of a theory of value creation and innovation in a global knowledge economy. International Journal of Information Management, issue 30, 2010, 502-511.

⁵² Reception, RL A consumer perspective on value creation. Academy of Management review, 32 (1), 219-235.

in the market largely depends on the extent to which the enterprise, industry or sector owns and exploits unique resources. The sustainability of competitive advantages is determined by how unique these resources are, ie. whether they can be easily copied by competitors or whether they can be easily appropriated (through a strategy of opportunism). If the company has unique resources that are difficult to copy and exploit by competitors, then it can form sustainable competitive advantages over time. It should be noted that in the long run, each unique resource becomes publicly available, which determines that the sustainability of competitive advantage in the long run cannot be guaranteed. Therefore, the exploitation of the competitive advantage by the enterprise needs to be as intensive as possible in the initial stage of market entry, applying a strategy of "cream picking", and with increasing the intensity of competition at a later stage, to leave the market.

- The sources of competitive advantages of the wine enterprise are the motivation of the entrepreneur and the motivation of the employee in the enterprise, which are determined by the organizational form. The motivation of these two characters - entrepreneur (owner or manager) and worker is determined by the identity of their goals. With the same goals, these entities have a high motivation to work, which is a key factor in achieving a competitive advantage of the organization (enterprise). The formation of competitive advantage in various organizational forms is strongly influenced by the distribution of income from the economic realization of the property of the entrepreneur and the worker, because this is the main determinant of their motivation to work and take risk.
- Competitiveness as a phenomenon exists everywhere in nature. It is an analogue of the adaptability and variability of living organisms, a property that determines their ability to survive in a dynamic natural environment. It can be summarized that competitiveness in the theory and practice of management is perceived as a science, art, skill and ability to overcome the main competitor, using its own and / or competitor's competitive advantages, leaving the market environment. Competitiveness can and should be taken into account, knowing its immanent characteristics. These characteristics are met by specific indicators. Some of the indicators can be used to record the level of competitiveness (when measuring it) that the wine company has achieved. These indicators in the present study are markers of competitiveness. Another part of the indicators can be used to reveal the reasons for the achievement of a certain level of competitiveness by the wine enterprise. In the present study, these indicators play the role of drivers of competitiveness. The limit for grouping the indicators in a group of markers or a group of drivers is conditional and is determined by the objectives of the study.
- Markers for diagnosing the competitiveness of the wine enterprise are - the competitiveness of its products; the degree of adaptability to the changing environment; price leadership and product differentiation; the availability of innovation activity, the degree of concentration of capital in the business model, etc.

When defining the competitiveness of the wine enterprise, it is necessary to take into account its specifics. The specific features determine the different approaches to achieving competitiveness in the industry. All inherent characteristics of competitiveness, at the level of enterprise and sector are achieved by realizing the competitive advantages of organizations in the industries. Therefore, the analysis of the competitiveness of the wine enterprise must take into account the impact of the processes of specialization, concentration and integration of industries in the sector. As a result of these processes in the sector, specific cross-sectoral links are determined, which are the basis for sustainable development and competitiveness of enterprises and the sector as a whole.

Methodical approach for organizing scientific research

The presented methodology for analysis and diagnostics of competitiveness seeks to assess both the competitiveness of the sector (at the brand level) and the competitiveness of the individual wine enterprise (at the micro level).

Micro-level competitiveness analysis toolkit. It has already become clear that competitiveness is a complex and complex socio-economic category. This causes difficulties in determining the tools for its evaluation. In the specialized literature there is no single opinion on the number and composition of indicators for determining the competitiveness of the enterprise. This is mainly due to differences in the authors' views on the nature of competitiveness. On the one hand, there is a desire for maximum characterization of the competitiveness of the enterprise. This leads to an excessive increase in the number of evaluation tools offered, which in turn makes it difficult to use them in practice. On the other hand, there is a desire to develop a separate tool with which to easily and quickly give a summary assessment of the competitiveness of the enterprise.

Based on the defined immanent characteristics of the competitiveness of the enterprise, we determine an analytical apparatus through which to analyze and evaluate the competitiveness of the wine enterprise. The following tools are included in this analytical apparatus (see Table 1):

- Immanent characteristics (features) of the competitiveness of wine enterprises;
- Drivers for diagnosing the competitiveness of wine companies;
- Markers for diagnosing the competitiveness of wine enterprises;
- Indicators for assessing the competitiveness of wine enterprises.

Table 1. Analytical apparatus for assessing competitiveness at the micro level. Source: own.

Immanent signs of competitiveness	Authors	Drivers for diagnostics of the competitiveness of wine enterprises	Markers for diagnostics of the competitiveness of wine enterprises	Indicators for assessing the competitiveness of the wine enterprise
Competitiveness of production - products are competitive when produced in higher quality with minimum production costs compared to those of competitors.	Ribov M .; Chobanyane va I .; Danailov D .; Marinov G .; Minko V. Krichevsky M .; Ivancevich J .; Lifitz I.	Effects of quality management	Use of production / production quality management systems	Existence of a quality management system; presence of a manager / quality specialist
Production efficiency	Drucker P .; Petkov L .; Sergeev A .; Avila H .; Porter M.	Effects of production management	Increasing labor productivity	Production index; Dynamics of labor productivity;
Cost efficiency	Pettigrew A .; Galbraith C .;	Effects of cost management	Efficiency of the used resources;	Efficiency of direct costs; Revenue efficiency; Equity efficiency; Asset efficiency;
Degree of adaptability to changes in the environment	Rumelt R .; Lockshin L .; Twomey D .; Barinov V.	Effects of change management	Inertia of the enterprise; liquidity, indebtedness, Solvency	Coefficient of inertia of the enterprise; Liquidity ratio; Indebtedness ratio; Solvency ratio
Return on assets and equity	Buckley P .; Pride W .; Paunov M.	Effects of enterprise property management	Profitability and return	Return on assets; Return on equity; Profitability of sales; Gross profit
Market power - size of market share - there is a relationship between market share and production capacity of the enterprise.	Lipsey RE, Kirpalani VH; Van Duren .; Armstrong and Collopy; Tirole J .; Bloodgood J. and Katz JP	Effects of market power management	Market share; Degree of concentration of production; Competitive advantages; Production capacity	Dynamics of market share; Degree of concentration of production; Competitive Advantage Index; Coefficient of used production capacity; Coefficient of competitiveness
Price leadership - the ability of the company to produce and sell its product at lower costs compared to its competitors; opportunity to realize economies of scale; Product differentiation - consumption of an additional benefit compared to the benefit	Zikmund W .; Kleiman L .; Emilova I .; Gorynia M .; Owen N .; Paunov M.	Effects of brand management and price leadership	Degree of diversification of production; Economies of scale; Built brand; Loyal search; Offer of unique value	Dynamics of the prices of the product range; Dynamics of sales revenues; coefficient of elasticity of demand from the price

obtained from the consumption of competing products.				
Existence of innovative activity, new production technology to lead to higher productivity and minimization of production costs	Terptsra D. ; Chankova L. ; Ikherd J. and Jansen J.	Effects of innovation management	Availability of innovative products; the costs for research and development; Added value;	Number of innovative products; Amount and structure of expenditures for research and development; Costs for raising the qualification of the working staff; Value added growth, return on investment
Generating and operating a new value along the chain.	Johannessen, J., Olsen, B., Priem, RL	Effects of value exploitation	Existence of new business models; Participation in strategic alliances	Dynamics of market share; Gross margin (contribution) dynamics

Toolkit for macro-level competitiveness analysis. All inherent characteristics of competitiveness, at the level of enterprise and sector are achieved by realizing the competitive advantages of organizations in the industries. Therefore, the impact of the processes of specialization, concentration and integration of industries in the sector must be taken into account in the analysis of the competitiveness of the sector. As a result of these processes in the sector, specific cross-sectoral links are determined, which are the basis for sustainable development and competitiveness of the sector as a whole.

To account for the specialization of the wine sector, the indicators (1) coefficient of commodity (market-orientation), (2) coefficient of concentration of commodity production are used.

The comparative advantages are evaluated with the indicators - (3) comparative index of export advantages (RXA); (4) comparative import advantage index (RIA) and (5) relative trade advantage index (RTA)⁵³.

(1) Market orientation / livestock ratio -Ks

$$K_s = SP / OP$$

SP - value of commodity production in the sector;

OP - value of total output in the sector.

(2) Coefficient of concentration of commodity production - Ksp

$$K_{sp} = 1 / \sum_{j=1}^n d_{ij} = 1 / \sum_{j=1}^n \frac{X_{di}}{X_d}$$

where,

j - the serial number of the branch, depending on the size of its relative share of the commodity production of the sector;

n - number of commodity industries in the sector;

di - relative share of the n-th branch in the structure of the commodity production of the sector.

The calculation of the indicator proceeds in the following sequence:

The relative share of each branch in the structure of the commodity production of the sector is arranged in descending order and numbered. The industry that has the largest share of commodity production ranks first and receives first number, etc. The number of each branch is multiplied by its relative share in the commodity production and the received products are summed. The number obtained is the average number of industries. Its reciprocal value, called the coefficient of concentration of commodity production, is then calculated.

(3) Comparative index of export advantages - RXA

$$RXA = (X_{di} / X_d) / (X_{wi} / X_w)$$

Xdi - the value of wine exports from the country;

Xd - the value of the total exports of the agricultural sector of the country;

Xwi - the value of wine exports of the leading wine-producing countries;

Xw - the value of total exports of the agricultural sector of the leading wine-producing countries.

(3) Comparative index of import advantages - RIA

⁵³ Borisov, P., T. Radev, D. Dimitrova (2014). Comparative advantages of EU Member States in Trade with Wine. Economics and Management of Agriculture, no. 4/2014, Sofia, pp. 59-65.

$$RIA = (X_{di} / X_d) / (X_{wi} / X_w)$$

X_{di} - the value of wine imports from the country;

X_d - the value of the total imports of the agricultural sector of the country;

X_{wi} - the value of wine imports of the leading wine-producing countries;

X_w - the value of the total imports of the agricultural sector of the leading wine-producing countries.

(4) Relative Trade Advantages Index - RTA

$$RTA = RXA - RIA$$

To collect the necessary information for calculating the indicators characterizing the degree of specialization, concentration and comparative advantages of the industry, the following official documents are used - Agricultural Report of the Ministry of Agriculture and Food (MAF), reports of the National Vine and Wine Chamber (NLVK) , reports of the Executive Agency for Vine and Wine (EAVW), reports of the International Organization of Vine and Wine (OIV) - www.oiv.org, database of the Food and Agricultural Organization of the United Nations (FAO) - www.fao.org .

Michael Porter's approach is used to identify the sources of competitive advantage of the wine sector. This approach is based on the concept of the "diamond of the determinants of national advantages" (Porter 1990). The lack of sufficient statistical information at the regional level, as well as of a system monitoring and generating statistical information on the formation and development of the sectors on the territory of a country justifies the use of the method of expert assessment. According to Velev. M. (2007) "the use of this method is appropriate for the analysis of sectors composed of a minimum number of industries, including the wine industry"⁵⁴. The peer review follows the following approach: the competitive advantages of the sector are determined by five main determinants, which are the factor conditions, the demand conditions, the existence of related and supporting industries, the applied company strategies and competition, and government intervention. Each determinant is considered as a set of several factors that are determined by expert opinion. Each factor is evaluated by N number of indicators, which are also determined by experts (see Fig. 1). The expert assessment is realized through the following stages:

1) Compilation of an expert council. Representatives of all participants / organizations / in the wine sector take part in this council;

2) The Expert Council, based on its knowledge and experience, develops a preliminary list of factors and indicators determining the competitive advantages of the sector;

Figure 1. Map of the expert opinion for assessment of the determinants and factors of competitiveness of the wine sector

Determinants	Factors	Indicators	Assessment of the importance for the competitive advantages of the sector
I. FACTOR CONDITIONS	1. Workforce	1. Availability of skilled labor	
		2. Workforce mobility	
		3. Age structure of the labor force	
		4. Experience and accumulated knowledge	
		5. Presence of an entrepreneurial factor	
		Arithmetic mean of the assessment	N1
	2. Natural resources	1. Existence of appropriate natural and climatic conditions for the development of the sector	
		2. Access of the participants in the sector to natural resources	
		3. Gifted with natural resources	
		4. Preservation of natural resources	
		Arithmetic mean of the assessment	N2
	3. Knowledge base - scientific, technical and market	1. Existence of organizations performing the necessary for the development of the sector research and development activity	
		2. Existence of technology transfer	
		3. Implementation of innovations	
		4. Existence of cooperation and strategic alliances	
		Arithmetic mean of the assessment	N3

⁵⁴ Belev, M. Cluster approach to increase competitiveness. Transvagon Ad, Burgas, p. 11

	4. Capital	1. Access to capital	
		2. Desire of the banking sector to lend to the activities of the sector	
		3. Availability of investments	
		4. Growth in investments	
		5. Return on capital	
		Arithmetic mean of the assessment	N4
	5. Infrastructure	1. Availability of appropriate road infrastructure	
		2. Availability of an appropriate irrigation system	
		3. Availability of appropriate logistics	
		4. Availability of e-commerce	
		5. Availability of appropriate housing and communal infrastructure	
		Arithmetic mean of the assessment	N5
Arithmetic mean of the assessment of factor conditions		Average (N1: N5)	
II. SEARCH CONDITIONS	1. Internal market	1. Availability of demand	
		2. Demand growth	
		3. Loyalty of demand	
		4. Existence of a surplus on the market	
		5. Existence of a market deficit	
		Arithmetic mean of the assessment	N1
	2. Foreign markets	1. Availability of demand	
		2. Demand growth	
		3. Loyalty of demand	
		4. Existence of a surplus on the market	
		5. Existence of a market deficit	
		Arithmetic mean of the assessment	N2
Arithmetic mean of the assessment of demand-related conditions		Average (N1: N2)	
III. RELATED AND SUPPORTING INDUSTRIES	1. Suppliers of raw materials and know-how	1. Availability of suppliers	
		2. Competitiveness of suppliers	
		3. Sustainability of relationships with suppliers	
		Arithmetic mean of the assessment	N1
	2. Trade intermediaries	1. Presence of trade intermediaries	
		2. Competitiveness of commercial intermediaries	
		3. Sustainability of relations with trade intermediaries	
		Arithmetic mean of the assessment	N2
	3. Relationships between industries in the sector	1. Existence of interbranch connections	
		2. Increasing the dependence of the industries between them	
		3. Presence of a synergistic effect	
		Arithmetic mean of the assessment	N3
Arithmetic mean of the assessment of the factors taking into account the related industries		Average (N1: N3)	
IV. COMPANY STRATEGIES AND COMPETITION	1. Barriers to entry into the sector	1. Low initial costs	
		2. Lack of administrative barriers	
		3. There are no secret cartels	
		Arithmetic mean of the assessment	N1
	2. Management and strategies	1. Existence of a production strategy	
		2. Existence of a marketing strategy	
		3. Existence of a financial strategy	
		4. Existence of a human resources management strategy	
		5. Existence of an innovation strategy	
		Arithmetic mean of the assessment	N2
	3. Competition	1. Existence of competition	
		2. Intensification of competition	
		3. Opportunity for the emergence of new competitors / substitute products	
		Arithmetic mean of the assessment	N3
Arithmetic mean of the assessment of the factors taking into account the company's strategies		Average (N1: N3)	
V. GOVERNMENT INTERVENTION	1. Political and legal conditions	1. Existence of a state strategy for development of the sector	
		2. Effectiveness of the state policy affecting the sector	

		3. Lack of corruption	
		4. Degree of control by the state	
		Arithmetic mean of the assessment	N1
	2. Macroeconomic situation	1. Existence of economic growth	
		2. Presence of inflation	
		3. Growth of employees	
		4. Increasing purchasing power	
		Arithmetic mean of the assessment	N2
	3. Government support	1. Educational support	
		2. Support in research and development	
		3. Support in export production and export	
		Arithmetic mean of the assessment	N3
	Arithmetic mean of the assessment of factors taking into account government intervention		Average (N1: N3)

Source: The map is adapted according to the methodologies of (Milusheva, 2012), (Atanasov, 2012) and (Vachevska, 2010)⁵⁵.

3) Drawing up a map of the expert opinion. It reflects the expert assessment of the importance of each indicator within a factor of competitive advantage in the Porter model. (see Fig. 3)

4) Determining a scale for evaluation of the indicators in the map of the expert evaluation. A score is assigned to each indicator. A 9-point rating scale is used. The scale is as follows: 0 - extreme negative value; 1 - very weak negative value; 2 - slightly negative value; 3 - does not matter; 4 - weak positive value; 5 - moderate positive value, 6 - strong positive value; 7 - very strong positive value and 8 - extremely positive value of the indicator for the factor determining the competitive advantages of the studied sector.

5) Carrying out your own research. The specially designed map is completed by a focus group composed of organizations involved in the value chain. The aim is to cover more stakeholder representatives involved in the sector.

6) Aggregation of the expert assessments of each expert (respondent) in one general map of the expert opinion. It reflects the general expert opinion on the sources of competitive advantages of the sector.

7) Analysis of the expert assessment and formulation of conclusions. The map with the aggregate expert assessment determines the average value of each indicator. The higher the value of the indicator, the greater the importance of the factor within the determinant that forms the competitive advantages of the sector. In this way, the weight of each indicator, factor and determinant in the Porter model is determined.

Approach to proving the research thesis

Statistical testing of hypotheses proves or rejects the main thesis, which states that strategic planning is a working (reliable) approach that ensures the achievement and development of competitiveness of the wine sector at both micro and macro levels. The verification of the authenticity of the thesis is carried out by testing a total of 6 research hypotheses given in Table 2.

Table 2. Research hypotheses and methods for their proof / rejection. Source: own.

Research hypo theses	Methods of proof / rejection	Level of research
<i>H1 - Competitiveness is a complex (multi-layered) socio-economic process, the management of which requires the systematic application of the strategic planning approach</i>	<i>Method of scientific abstraction</i>	<i>Both at the micro and macro level</i>
<i>H2 - there are indicators that can be used to identify the competitive factors arising from the business environment when studying the competitiveness of the sector</i>	<i>Method of scientific abstraction Method of expert evaluation and multicriteria analysis</i>	<i>Both at the micro and macro level</i>

⁵⁵Cit. in Borisov, P., P. Marinov (2013). Analysis of the sources of competitive advantages of the wine cluster. Scientific works of the Agricultural University - Plovdiv, Volume LVII, pp. 151-158.

<i>H3 - the degree of concentration of capital in the wine enterprise determines its potential for achieving and developing competitiveness</i>	<i>Regression analysis; correlation analysis; method of descriptive statistics</i>	<i>At the micro level</i>
<i>H4 - the organizational form of the wine enterprise creates a framework for capital accumulation, and hence for achieving and developing competitiveness in a strategic aspect</i>	<i>Analysis of variance and t-test</i>	<i>At the micro level</i>
<i>H5 - the main competitive determinants in the wine sector are: (1) access to innovation, (2) access to marketing and (3) access to finance.</i>	<i>Expert evaluation method and multicriteria analysis method VRIO - analysis</i>	<i>Both at the micro and macro level</i>
<i>H6 - the implementation of strategic planning activities determines the ability of the wine enterprise to compete</i>	<i>Chi-square analysis</i>	<i>At the micro level</i>

The analysis of the validity of the conceptual thesis and the research hypotheses subordinated to it takes place in the following successive stages:

- *Identification and validation of drivers, markers and indicators for assessing the competitiveness of the wine sector / at macro and micro level /;*
- *Diagnosing the competitiveness of wine enterprises;*
- *Assessment of the degree of concentration of capital in the wine enterprise on its ability to compete;*
- *Assessment of the organizational form of the wine enterprise on its ability to compete;*
- *Assessment of the main competitive determinants (access to finance, innovation and marketing) on the level of competitiveness of the sector.*
- *Assessment of the impact of the strategic planning activities performed by the wine enterprise on its ability to compete;*

Identification and validation of drivers, markers and indicators for evaluation of the wine sector

Identification and validation of drivers, tags and brevity indicators called - (indicators)⁵⁶ for competitiveness assessment is performed through multi-criteria analysis. A potential list of indicators has been prepared, which are evaluated by experts from various scientific and practical fields - economists, managers and marketers. Based on their assessments, the final set of indicators is formed, which are used to assess the competitiveness of the wine company and the sector as a whole.

The methodology is divided into different steps, covering literature review, multi-criteria evaluation, selection of indicators, integration of indicators, field research, data analysis and assessment of applicability (see Table 3). As a result of a comprehensive literature review, a list of indicators is compiled, taking into account the various aspects of competitiveness. A special place among them is occupied by:

- Indicators used by national and international institutions
- Specific indicators (used in the scientific literature)
- Indicators created by the doctoral student.

Table 3. Description of the criteria for expert evaluation of the proposed list of indicators for assessment of the competitiveness of wine enterprises. Source: adapted model of Ivanov, Radev, Borisov⁵⁷

Criteria for evaluation of indicators		Description
1 & 2	Distinctive power by (1) time / (2) place	The ability to reflect (1) in time / (2) in place differences due to external factors and those in result of management

⁵⁶ for brevity, the broader concept of 'indicators' is used, which aggregates drivers, markers and competitiveness indicators.

⁵⁷ Ivanov B., T. Radev D. Vachevska, P. Borisov. Sustainability in Agriculture, ed. Avangard Prima, Sofia 2009, pp. 29-30.

3	Analytical value	The indicator must be scientifically substantiated, ie. to be calculated using established scientific terms
4	Measurability	The indicator must be easy for measurement. Its use is therefore assessed on the basis of which requires.
5	Transparency	The meaning of the indicator must be clear to understand and unequivocally
6	Relevance	The indicator should help to take into account the effect of the management of competitiveness factors
7	Transferability	The indicator must be able to be used in different types of business structures
8	Relevance	The indicator must be as relevant as possible in terms of competitiveness relevant to the database

Approach to diagnosing the competitiveness of wine enterprises

The diagnosis of wine enterprises is carried out by looking for interaction between the drivers of competitiveness and the markers of competitiveness of wine enterprises. The relationship is analyzed and investigated by applying the statistical method chi-square analysis. Table 4 shows the statistical model used for diagnosis.

Table 4. Statistical model for diagnostics of the competitiveness of wine enterprises. Source: own.

Drivers	Purpose of the drivers	Marker
(1) Existence of a quality management system (2) Presence of a manager / quality specialist	Ensuring the quality management process	Impact on the effectiveness of quality management
(1) Existence of systems for increasing the labor productivity in the enterprise (2) Existence of a specialist in human resources management	Ensuring the labor management process	Influence on the efficiency of labor resource management
(1) Existence of cost, revenue and profit / loss management systems (2) Availability of financial and accounting specialists	Ensuring the cash flow management process	Influence on the efficiency of cash flow management
(1) Existence of a system for measuring the deviations and change management (2) Existence of specialists performing controlling and management of the change	Ensuring the change management process	Influence on the effectiveness of change management
(1) Existence of a market power management system (2) Existence of marketers who control, control and develop market power	Ensuring the market power management process	Influence on the efficiency of market power management
(1) Existence of a system for management of innovations and innovation processes (2) Availability of specialists / innovation managers	Ensuring the innovation management process	Impact on the efficiency of innovation management
(1) Inclusion in strategic alliances along the value chain	Ensuring the process of exploitation of the value along the chain	Influence on the efficiency of value management along the chain

Approach to assess the impact of the strategic planning activities performed by the wine enterprise on its ability to compete

The third task of ensuring the achievement of the goal of the dissertation is to develop a methodology for research and evaluation of the impact of strategic planning activities on the competitiveness of wine enterprises.

Table 5 shows the statistical model, which checks whether there is a relationship between the implemented strategic planning activities and the level of competitiveness of the enterprise, assessed by indicators - market share, return on assets and competitiveness ratio.⁵⁸

Table 5. Statistical model for assessment of the interaction between strategic planning activities performed by the wine enterprises and the achieved competitiveness. Source: Adapted model by Van Duren, (1991)⁵⁹

Strategic planning activities (drivers)	Purpose of the activity	Influence on market share	Impact on return on assets	Influence on the coefficient of competitiveness
Construction and implementation of an information system for collection, processing and analysis of strategic information	Information support of strategic planning	X	X	X
Performing an analysis of the internal and external business environment	Disclosure of strengths / weaknesses as well as opportunities and threats for competitive development	X	X	X
Defining strategic goals	Efficiency in goal setting	X	X	X
Performing internal analysis (audit) of the enterprise	Diagnosis of the state of the enterprise in terms of innovation management, marketing and finance	X	X	X
Development and evaluation of scenarios for the development of the business model of the enterprise	Forecasting the business development of the enterprise	X	X	X
Formulation of a global business strategy to achieve the goals of the enterprise	Business strategy	X	X	X
Preparation of a business plan of the enterprise	Efficiency in business planning	X	X	X
Coordinating the business strategy and the business plan with the other strategies and plans in the enterprise	Rationality of planning	X	X	X
Resource provision for the implementation of the business strategy	Justification of the planning	X	X	X
Delegation of tasks and responsibilities among staff	Planning competence	X	X	X
Construction and implementation of a system for monitoring and control over the implementation of the business strategy	Control and information support	X	X	X

Approach to assess the impact of the concentration of capital in the wine enterprise on its ability to compete

The next working hypothesis in the dissertation research, which is put to the test, states that the degree of concentration of capital in the wine enterprise determines its potential for achieving and developing competitiveness. The degree of concentration of capital in the wine enterprise is characterized by the indicator amount of assets. The degree of competitiveness is determined on the basis of indicators (1) market share, (2) return on assets and (3) equity, (4) return on investment. All these indicators are aggregated into one summary, which is called (5) coefficient of competitiveness.

$$(1) \text{ Market share} = (\text{NRS} / \text{NRS1}) \times 100$$

⁵⁸ These are the indicators that, according to FEM, have the greatest significance (they received the maximum score in organizing the expert assessment) in the study of the competitiveness of wine enterprises.

⁵⁹Van Duren, Martin, L., Westgren, R. Assessing the competitiveness of Canada's Agrifood Industry. Canadian Journal of Agricultural Economics (39), 1991.

NRS - net sales revenues of the wine enterprise;
 NRS1 - total net sales revenues of all surveyed wine enterprises;

(2) *Return on assets (Piassets)*

$Piassets = (\text{Gross profit} / \text{assets}) \times 100$

(3) *Return on equity (Piequity)*

$Piequity = (\text{Gross profit} / \text{equity}) \times 100$

(4) *Return on investment on Du Pont (RRinvestments) = Pisales x RRassets*

Pisales - profitability of sales;

RRassets - return on assets

RRinvestments

(5) *Coefficient of competitiveness - Kk*

$Kk = \frac{(X1 / Y1 + X2 / Y2 + X3 / Y3 + X4 / Y4)}{4}$

4

X1 → market share of the enterprise;

Y1 → average value of the market share in the studied set of enterprises;

X2 → return on assets of the enterprise;

Y2 → average value of the return on assets in the studied group of enterprises;

X3 → return on equity of the enterprise;

Y3 → average value of return on equity in the studied group of enterprises;

X4 → return on investment of the enterprise;

Y4 → average value of return on investment in the studied group of enterprises.

The verification of the reliability of the research hypothesis is performed by applying the statistical method - a simple correlation between two factors. The statistical model is presented in Table 6.

The following dependencies between the indicators are studied:

- 1) Relationship between factor indicators (drivers) - "amount of assets", "amount of equity", "amount of investments" and the result indicator (marker) - "market share";
- 2) Dependence between the driver - "market share" and the markers - "return on assets", "return on equity" and "return on sales";
- 3) Dependence between drivers - "amount of assets", "equity", "investments", "market share", "net sales revenue" and the marker - "gross profit";
- 4) Dependence between drivers - "amount of assets", "equity", "market share" on the result indicator (marker) - "return on investment".

Table 6. Statistical model of the study of the interaction between drivers and markers of competitiveness of wine enterprises. Source: own

Drivers	Markers	Expected interaction
Amount of assets	Market share	+
Equity	Market share	+
Investments	Market share	+
Market share	Return on assets	+
Market share	Return on equity	+
Market share	Profitability of sales revenue	+
Amount of assets	Gross profit	- / +
Equity	Gross profit	- / +
Investments	Gross profit	+
Market share	Gross profit	+
Net sales revenue	Gross profit	+
Amount of assets	Return on investment	- / +
Equity	Return on investment	+
Market share	Return on investment	+

Statistical methods establish not only the dependence between the drivers that determine the competitiveness, but the strength and direction of influence between them.

To collect the necessary information for calculating the indicators and establishing the relationship between the factors of competitiveness, the following official documents of the wine enterprises are used - balance sheet, income statement, cash flow statement (for the period 2010 - 20018) . The processing of the information and the research of the dependencies are performed with the software products SPSS and MS Excel.

Approach to assess the impact of the organizational form of the wine enterprise on its ability to compete

The verification of the hypothesis that *the organizational form of the wine enterprise creates a framework for capital accumulation, and hence for achieving and developing competitiveness in a strategic aspect* is carried out by applying the statistical method "chi-square analysis" and "Kramer's criteria". Table 7 shows the statistical model used to assess the relationship between the studied indicators.

Table 7. Statistical model of interaction between the organizational form and the level of competitiveness. Source: own.

Driver - "Organizational form of the enterprise "	Marker - influence on market share	Marker - influence on the return on assets	Marker - influence on the coefficient of competitiveness
Vineyards (enterprises) that produce grapes and wine	X	X	X
Cooperative wine enterprises	X	X	X
Corporate wine enterprises	X	X	X

The organizational form determines the framework for concentrating capital in the business model of the wine enterprise. It determines the way of realization of the business strategy for achieving the global goal of the wine enterprise. The different organizational forms of wine enterprises have different potential for realizing their competitive advantages in the production of grapes and wine. Each company has a different degree of security with production factors. The achieved level of competitiveness of the enterprise is determined by the motivation of the entrepreneur to effectively manage the limited production factors. In order to determine the sources of competitive advantages of the type of organizational form of the wine enterprise, the influence of each factor is revealed, forming the overall level of competitiveness. To assess the degree of competitiveness, the indicators are used - market share, return on assets and competitiveness ratio.

Approach to assess the factors determining the competitive advantages of wine enterprises

To identify the factors that are determined as sources of competitive advantages of wine companies, the VRIO - analysis method is used. The factors are analyzed, the combination of which leads to the emergence of sustainable competitive advantages in the company in terms of - value, uniqueness and ability to imitate the main competitors.

By applying chi-square analysis, an assessment of the interaction of the factors determining the sustainability of the competitive advantages of wine enterprises is sought. Sustainable drivers are the access of enterprises to finance, innovation and marketing. The statistical model of the interaction between the studied indicators is presented in Table 8.

Table 8. Statistical model of interaction between enterprises' access to finance, innovation and marketing and the sustainability of competitive advantages. Source: own.

Sustainability drivers	Marker - "Sustainable competitive advantages"
Access to finance	X
Access to innovation	X
Access to marketing	X

Methodology for strategic planning of the competitiveness of the wine sector at micro and macro level

The theoretical model for diagnostics and strategy of competitiveness of the wine sector is constructed on the basis of the use of the method of expert evaluation and the method of SWOT-analysis (see Figure 2).

The "SWOT-analysis" method is among the most popular in the scientific literature, which is used in assessing the strategic financial management of the enterprise (Dimitrova, 2013), (Koprivlenski, 2011), (Yavuz, Baycan, 2013), (Rachid, Fadel, 2013), (Mehmood, Hassannezhad, Abbas, 2013)⁶⁰. The technique of SWOT-analysis requires knowledge of all specific factors that have a direct and indirect impact on financial management, in order to analyze them in detail so that the organization can easily adapt to their requirements. This dissertation research defends the idea that managers and specialists in strategic business planning are those who fully know the internal factors of the business environment that determine the future development of the enterprise. That is why managers and business planning specialists in the surveyed enterprises are used as the main source of information to identify strengths and weaknesses.

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 the research.

The findings of the research are the subject of discussions by managers in specially designed focus groups. Figure 2 shows the methodological approach for determining the problems and potential solutions for the development of the competitiveness of wine enterprises.

- **Stages of diagnosis and strategic orientation**

The first stage(A.) the application of the methodological approach consists in the identification of the strengths / weaknesses, as well as the opportunities and threats to the competitiveness of the vineyard enterprises arising from the research carried out. Through focus groups of managers and specialists in business planning, the strengths and weaknesses, as well as the opportunities and threats to the competitiveness of enterprises are discussed and determined. Group discussions (focus groups) are used as a method in the research, which allows in-depth study of the research topic, while using the advantages of the group effect. During the discussions, through spontaneous thorough discussion of pre-determined conclusions from the research in small groups of people, it is clearly formulated, what are the strengths and weaknesses of competitiveness in the sector and what opportunities and threats the external environment provides for its future development. Discussions are organized and directed by a moderator⁶¹, which raises the issues for discussion, observes the equal participation of the persons, directs in new interesting directions, spontaneously expressed by the participants.

In the second stage(B.) aims to construct a SWOT-matrix, which is the result of discussions in 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 sector's competitiveness, namely: 1) what are the most important strengths, weaknesses, opportunities and threats and 2) what is the interaction of the strong and 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. The organization of the expert assessment itself includes the following: instructing the experts (managers / specialists) on how to express their expert opinion; selection and application of an assessment scale; developing a map of the expert opinion and performing the expert assessment by the respondents. Each expert independently fills in a specially created map of the expert opinion. The SWOT matrix constructed in the previous stage of the study is used as such. In this matrix, the respondent assesses the interaction of strengths and weaknesses with the identified opportunities and threats. The expert uses a 4-point rating scale, which contains the following assessments: 0 - no interaction, 1 - weak interaction, 2 - strong interaction and 3 - very strong interaction between the studied factors.

⁶⁰ Borisov, P., T. Radev, D. Nikolov, (2014). Analysis of the strategic factors for the development of small agricultural holdings in Bulgaria, Economics and Management of Agriculture magazine, №2, 2014, Sofia, 33-43

⁶¹ The author of the dissertation research is meant

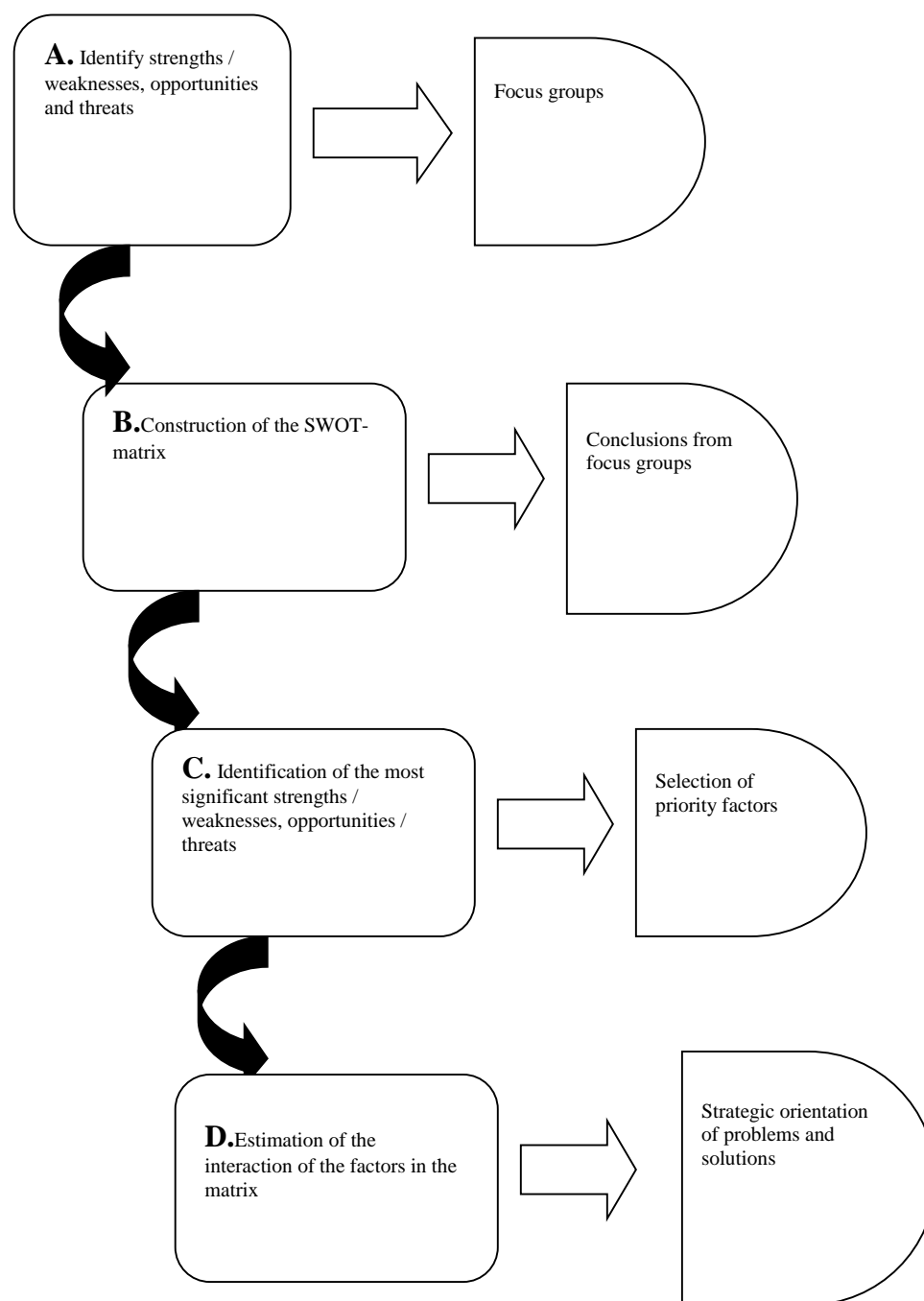


Figure 2 Methodological approach for strategic orientation of company competitiveness. Source: Borisov, Radev, Nikolov⁶²

Four types of interactions between the factors in the matrix are studied as follows: (1) interaction between the strengths and the identified opportunities. In this connection of research, an answer is sought to the question: to what extent these strengths can be used to realize the identified opportunities for the development of wine enterprises; (2) the interaction between the strengths and the threats, so the assessment made seeks an answer to the question: to what extent these strengths can be used to protect against the threats that the external environment contains; (3) interaction between the weaknesses and the identified opportunities, thus the answer to the question is sought: to what extent the weaknesses can hinder the realization of the identified opportunities and (4) the interaction between the weaknesses and the indicated threats.

⁶²Borisov, P., T. Radev, D. Nikolov, (2014). Analysis of the strategic factors for the development of small agricultural holdings in Bulgaria, Economics and Management of Agriculture magazine, №2, 2014, Sofia, 33-43

In the fourth stage(D.) the application of the SWOT-analysis determines what is the interaction of the factors in the SWOT-matrix. At this stage, the results of the expert evaluation are summarized. The individually completed SWOT-matrices of each respondent are aggregated into one generalized SWOT-matrix, which is a map of the summarized results of the expert assessment. The row "Sum" summarizes the individual estimates 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, which 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 summary matrix can be used as a tool to identify the strategic orientation of wine companies 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 enterprises is determined by the SOR-analysis method (abbreviation of three key success factors, which are: strengths, → strenghts, 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, bypassing obstacles (Nikolov, Stanchev, Radev, Borisov, 2012)⁶³.

7. Organization of the research

Sample formation. The register of the National Vine and Wine Chamber - Sofia was used as a source for forming the sample, in which all registered vineyard and wine enterprises as of 31.12.2018 are entered. The obtained general population consists of 9280 wine-growing enterprises. In the formation of the sample, the method of simple random sampling was used, as its constituent units were broadcast by irreversible selection. The volume of the sample is 155 vineyard enterprises, which manage a total of 166,445 decares, which is 4.5% of the registered vineyard areas in the Republic of Bulgaria.

A wine-growing enterprise is considered to be one in which 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. According to Ordinance No. 12 of 19.10.05 on the terms and conditions for establishing and maintaining a register of vineyards and a specialized map of vineyards issued by the Ministry of Agriculture and Forestry and promulgated in SG no. 8 of 28.10.05 (art. 5) (1): «viticulture is an economic and technological unit with unified management on the territory of one viticultural region,

Mapping and involving stakeholders in the study. Stakeholder analysis and mapping is a necessary process to ensure the objectivity of research. This process takes place through the implementation of the following phases⁶⁴:

- Phase 1: Identification: localization and contact with relevant groups, organizations and people who are stakeholders;
- Phase 2: Analysis: understanding the views and interests of stakeholders;
- Phase 3: Mapping: visualizing the links with the goals within the group, as well as with other stakeholders;
- Phase 4: Strategic orientation: ranking stakeholders by importance and opportunity to influence the problem and the decision-making process to eliminate the problem.

Identification. Creating a stakeholder database is the first step in the mapping process. The database needs to be comprehensive and include as many organizations (or individuals) as possible that could be classified as stakeholders. It should include organizations that are currently interested in the goals of digitalisation, but also those that may be interested in the future.

Relevant stakeholders could be:

- State institutions - ministries, agencies, inspectorates, commissions, councils;

⁶³Borisov, P., T. Radev, D. Nikolov, (2014). Analysis of the strategic factors for the development of small agricultural holdings in Bulgaria, Economics and Management of Agriculture magazine, №2, 2014, Sofia, 33-43

⁶⁴Borisov, P., D. Nikolov, T. Radev (2020). Methodical approach for mapping and attracting stakeholders in the digitalization of the agricultural sector. Economics and Management of Agriculture 2020, 65, 25-32.

- Research institutes, universities, experimental stations, etc.
- Representatives of branch organizations;
- State bodies supporting the activity of the wine sector;
- Agribusiness consultants;
- Processors;
- Users (associations) of products or services;
- Local Action Groups (LAGs)

Analysis. Based on the created database, contact is established with the organizations. The aim is to gather information about their profile, specifics and role in solving the problem. A system of attributes validates the role of stakeholders in the process of increasing the competitiveness of the sector. These attributes are: contribution, legitimacy, willingness to commit, level of influence and need to participate. Through the combination of these five attributes, stakeholders are grouped and their role in the process is defined. Stakeholder attributes are assessed on a 3-point scale, including the following assessments - "low level", "medium level", and "high level".

Mapping is an important step in the process of identifying and engaging stakeholders. Through the implementation of this phase of the process, it is clarified what is the role of stakeholders in the intervention process and how they would affect the management of competitiveness. The aim is to highlight those stakeholders who will be "key players" in the process of creating and exploiting competitive advantages, as well as in the validation of problems. Mapping is performed using the following combinations of stakeholder attributes:

- Combination 1: contribution + legitimacy;
- Combination 2: contribution + readiness for commitment;
- Combination 3: contribution + level of influence;

Each of the 3 combinations was evaluated using a 2-point scale (0; 1). The assessment is performed using assessment cards (see Fig. 3)

The rating card is based on two attributes with two values (high / low). This combination gives 4 quadrants for evaluation as follows:

Quadrant 1 - high level of attribute A and high level of attribute B;

Quadrant 2 - high level of attribute A and low level of attribute B;

Quadrant 3 - low level of attribute A and high level of attribute B;

Quadrant 4 - low level of attribute A and low level of attribute B;

Attribute "A" Attribute A	High level/ High rate	Quadrant 2	Quadrant 1
	Low level/ Low rate	Quadrant 4	Quadrant 3
Attribute "B" Attribute B		Low level Low rate	High level High rate

Figure 3 Stakeholder assessment map of their suitability for intervention. Own, result of the DIAGRO project.

By superimposing the maps in a summary map, the stakeholders needed to be involved in the process of planning the competitiveness of the wine sector are revealed. Table 9 lists the potential stakeholders that can be involved in assessing the competitiveness of the sector, as well as in validating the results of the research.

Table 9 Stakeholders participated in the study. Source: own

Tasks requiring stakeholder intervention	Number of participants / respondents	Stakeholders
Stakeholder evaluation and validation	33	NLVK, EAVW, MAFWE, wine enterprises, vineyards, IME, ILV, IAI, UFT AU-Plovdiv, Technology and Innovation Parks and Centers, LAGs, Municipal Administration, BSMEPA, Guarantee Fund, BDB

		and other banking organizations, Organizations users
Conducting the expert assessment of the competitive advantages of the wine sector according to the model of the 5 forces of M. Porter	53	NLVK, EAVW, MAF, vineyard enterprises, IAI, AU-Plovdiv, UFT, MAF
Organizing and conducting FEM (multi-criteria expertise)	33	IAI, MAFWE, AU-Plovdiv, ILV - Pleven, wine-growing enterprises, NLVK
Survey among enterprises	155	Vine-wine enterprises, vineyards
Survey among consumers of wine products	100	Consumers
Validation of the survey results in SWOT - matrix	53	Wine enterprises, MAFWE, international experts from OIV, EIB
Testing and testing of tools for diagnostics of the need for change in wine enterprises as well as determination of reference values of the markers for change	131	Managers and functional specialists working in wine enterprises
Approbation of the map for strategic decisions for change	33	Managers of wine-growing enterprises, specialists from the various organizational units in the enterprises

Structure of the questionnaires. In the present study, two types of surveys have been developed - a survey for wine companies and a survey for consumers.

Survey for wine enterprises. To study the state, problems and prospects for development of the competitiveness of the wine sector, we have developed a questionnaire that contains 45 questions, grouped in 6 sections - general characteristics of the business unit, planned activity of the business unit, competitive determinants, corporate finance, company staff, company marketing and company innovations, sources of competitive advantages.

Consumer survey. The purpose of this survey is to gather information on the main determinants determining the choice of wine purchase by consumers.

Conducting field research. The survey was conducted in the period May and June of 2016-2018, and 155 sites were visited and data were obtained from them on issues included in the survey.

The choice of the period of conducting the survey is in accordance with the employment of the staff. During this part of the year it is the weakest, due to which the possibility for responsiveness on the part of the respondents is greater.

Chapter III. Analysis of the specialization, concentration and competitive advantages of the wine sector

In this part of the dissertation the specialization, concentration and the degree of integration of the main branches in the wine sector are analyzed. The comparative and competitive advantages of the Bulgarian wine sector on the international wine market are studied. The influence of the Common Agricultural Policy on the development of the sector has been studied. As a result of the performed analysis, specific summaries and conclusions have been formulated.

Analysis of the structure of the sector. The core of the sector is formed by wine companies and vineyards. There is a wide variety of vineyards with different sizes and management strategies, which proves that there are no significant barriers to entry into the sector through the viticulture industry. Viticulture is also defined as a highly competitive industry due to the large number of participants who are strictly individual in developing and following their development strategy. Small farms predominate. The main reasons for this are the small size of the herds and the scarcity of financial resources available to farmers. It should be noted that most of the risk of the wine sector

is borne by the vineyards. This determines their lower innovation and investment activity compared to other participants in the sector. The trade intermediaries in the sale of the raw material - a product of the vinification industry, determine the connection of this industry with the processing. There is no clear competition in this unit of the value chain - there are a small number of participants who have a significant influence on the market price. This is one of the reasons for the low marketability of grape growers. The wine industry also has a large number of private individuals (the registered enterprises in the Commercial Register, which are engaged in the production and trade of wine and wine materials, are 12065). These are mainly small and medium enterprises. Some of them, according to EAVW (30%), have their own vineyards, which defines them as a major factor for the integration of the viticulture and wine industries in the sector. Wine distributors are one of the important factors in the value chain. There is no reliable source of information to determine the number and size of these actors in the sector.

Analysis of the determinants of the competitive advantages of the cluster. The expert assessment shows (see Fig. 2) that within the model of Porter, M., the determinants that most strongly determine the competitive advantages of the wine sector are the conditions of demand, competition and strategies of participants in the value chain (see Figure 1). In addition to the above determinants, it should be noted that related and supporting industries are also important for the competitive advantages of the sector. Government intervention is the least important of the determinants studied. This proves that the wine sector is developing thanks to the entrepreneurial factor, which develops its business model through a strategy in line with market requirements.

Analysis of factor conditions. The importance of the various factor conditions as a source of competitive advantages for the sector can be seen in Figure 4. The preserved diversity of natural resources is a major factor determining the competitive advantages of the wine sector (respectively the average value of the indicator used for this factor is 6.0).

The easy access of the participants to natural resources in the cluster determines the leading role of this source of competitive advantage. The availability of skilled labor is the other important source of competitive advantage of the sector (the value of this indicator is 5.4). On the other hand, the respondents determine that the skilled workforce is poorly mobile and this determines the difficult process of selection and retention of staff in vineyards and wine enterprises. Thanks to the established traditions in wine production, the participants in the sector have gained experience and knowledge base. This is a prerequisite for the existence of organizations engaged in research and development, which is another major source of competitive advantage of the sector.

Research and development activities are carried out mainly by organizations that are subsidized by the state - these are universities and research institutes. The private sector has little involvement in this type of activity. The main reasons for this are the slow return on research and development costs and the weak protection of intellectual property in our country.

Another important element of the factor conditions is the investment activity of the participants in the sector. This factor is the third most influential (the average value of the indicator is 4.6). According to the surveyed experts, the main part of the investments in the sector are made by the wine industry enterprises for the creation of vineyards and the purchase of buildings, equipment and machinery. They absorb most of the funds provided by national and European financial funds. The main factors limiting investment in the sector are the slow return on investment due to the poor financial performance of the participants in the value chain and the weak willingness of the banking sector to lend to the wine sector. The expert assessment indicates the established logistics base, as another significant source of competitive advantage for the wine sector. It is also defined as a leading factor in facilitating the work of participants in the chain "raw material-end product". The main problems for establishing the competitive advantages of the cluster are the weak technological transfer between the research and development organizations and the producers - wine growers and wine producers. There are also no strategic alliances between science and practice in the process of creating innovations. These are some of the most important sources for achieving sustainable competitive advantages. The main problems for establishing the competitive advantages of the cluster are the weak technological transfer between the research and development organizations and the producers - wine growers and wine producers. There are also no strategic alliances between science and practice in the process of creating innovations. These are some of the most important sources for achieving sustainable competitive advantages. The main problems for establishing the competitive advantages of the cluster are the weak technological transfer between the research and development organizations and the producers - wine growers and wine producers. There are also no strategic alliances between science and practice in the process of creating innovations. These are some of the most important sources for achieving sustainable competitive advantages.

Analysis of demand conditions. The conditions of demand in both domestic and foreign wine markets have been studied. The main factors determining the competitive advantages of the cluster in these markets are the fair demand (the indicator has a value of 5.2) and the presence of a surplus. Achieving a loyal demand for the products of the cluster is carried out through the established brand, which is a result of the preserved traditions in production. The presence of a predominance of supply over the demand for wine on the international market determines the intensification of competition. The participants in the cluster determine that the presence of such competition causes a disciplinary effect in following the marketing strategy. According to them, this is a major source of competitive advantage in the wine trade.

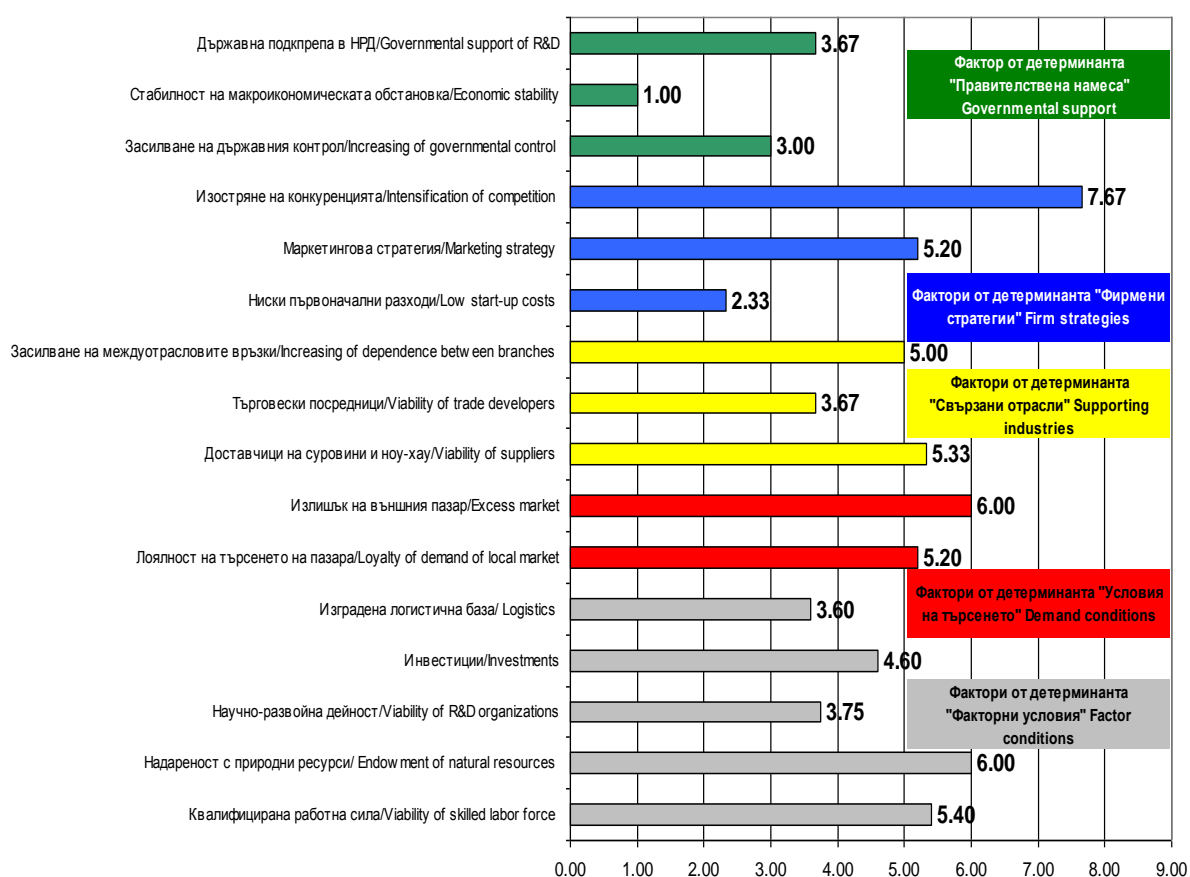


Figure 4 Significance of the factors determining the competitive advantages of the wine sector. Expert assessment received from 53 experts. Source: Own research, 2018.

Analysis of related and supporting industries. The main sources of competitive advantages in this group of factors in the studied model are suppliers of raw materials and know-how (average value of the indicator 5.33), strengthening of intersectoral relations (value of the indicator 5.00) and trade intermediaries for wine distribution (value of the indicator 3.67). It should be noted that the integration of industries is achieved with more investment by wine companies. According to the expert assessment, the main problem hindering the strengthening of the influence of this determinant in the model of the competitive advantages of the cluster is the low stability of the relations of grape and wine producers with trade intermediaries.

Analysis of company strategies and competition. The presence of intensified competition on the wine market determines the competitive advantages of the cluster (the average value of the indicator is 7.67). Achieving competitive advantages in the market is carried out by developing and following an adequate marketing strategy (the average value of the indicator is 5.2). According to the respondents in the cluster, these are the two most important factors for success in the production and trade of wine. Another important factor is the relatively low initial costs required to start a business. According to the owners of the vineyards, the main problems are the existence of secret cartels in the purchase of grapes, and according to the wine-producing enterprises the significant

administrative barriers in the industry. The study shows that wine producers and traders do not impose a human resources management strategy. They invest more in the purchase of machinery and equipment and cut costs in a crisis in the area of "Staff costs". Thus, the contribution of the cluster to the economic and social development of the region is relatively low.

Analysis of government support. In the analysis of this determinant of the competitive advantages of the cluster the following more significant factors stand out - the state support in the research and development activity (the average value of the indicator is 3.67) and the strengthening of the control by the institutions (3.00) regulating the activity of the branches. Experts have given a very low assessment of macroeconomic stability, as a factor determining the competitive advantages of the wine sector.

Conclusions on the specialization, concentration and competitive advantages of the wine sector

The analysis of the competitiveness of the wine sector must take into account the impact of the processes of specialization, concentration and integration of industries in the sector. As a result of these processes in the sector, specific cross-sectoral links are determined, which are the basis for sustainable development of competitiveness. As a result of the analysis of the indicated factors the following conclusions are formulated:

- The combination of viticulture and wine production is at an advanced stage, but a number of conditions and factors still hinder the full integration of these industries. The vineyard is defined by low stocking, due to the small size of the vineyards, which cultivate small vineyards with different varietal composition. As a result, the raw material base in the sector is diverse in variety composition and quality. Wine production needs large batches of homogeneous raw material to enable large-scale production and use the effect of "economies of scale", a major source of competitive advantage in a highly price-intensive market (both domestic and foreign). . Therefore, winemaking is looking for other alternatives to meet its raw material needs, such as imports of wine and must from third countries (mainly the Republic of Northern Macedonia) to process into a higher value-added product (bottled or bottled wine). The main reasons limiting access to native raw materials are the following: (1) the large number of small vineyards, a factor determining the difficult management of the process of supply of raw materials by wineries; (2) the easy possibility, by blending the wines, to circumvent the law by the wine producers. A common practice is the processing of low-quality wine into quality wine in laboratory conditions, a process that is difficult to control by the relevant control bodies in wine production; (3) the ownership of vineyards by young or low-yielding vineyards by low-productivity vineyards; (4) Impossibility for rhythmic supply of working capital for payment during the grape harvest campaign by the wine-growing enterprises. The seasonality of viticulture requires the allocation of significant financial resources during the grape harvest, while the use of imports and wine and cognac materials in production determines easier financial planning;
- The analysis of the branch specialization of the wine-growing regions shows the following: (1) Southeastern wine-growing region is closely specialized in the production of red and white table wines; (2) The south-western wine-growing region is closely specialized in the production of red quality wines. (3) Northeastern wine-growing region has specialized in the production of quality white wines. Bulgaria clearly stands out on the world market as a country traditionally developing exports of bulk wine (which has low added value).
- The market orientation of the branches of the wine sector has been declining in recent years. Only 63% of the produced quantities (for 2018) are sold on the international market from the production of quality and table wines. Only 50% of the production of special wines. This determines the relatively low commodity of the industries, measured on the basis of exports of products produced by them. The reasons for this are the high size of domestic wine production, which consumes more than half of the raw material - a product of viticulture. The export of bulk wines, in which Bulgaria specializes within the EU, requires quality raw materials, which are grape products (grapes or grape must), the result of viticulture;
- Bulgaria, in the conditions of the common agrarian policy of the EU has specialized in the export of bulk wines. Exports of bottled wine are not so competitive, as Bulgarian bottled wines are mainly sold in the low price segment, where competition is fiercest.
- Domestic winemakers are hesitant in choosing the raw material for production. On the one hand, in order to comply with quality standards, some wine enterprises produce grape wines produced from specific local vine varieties, which gives them a competitive advantage on the international market (these enterprises are the smallest part of the participants in the sector), while others rely on the processing and

blending of local varieties with foreign ones, which makes it difficult to trace the origin of the wines obtained. The strategy of these wine companies is to offer wines in the low price range, produced from widely popular varieties on the world market (such as Pinot Noir, Syrah, Sauvignon-Blanc, Merlot, etc.).

- The links between viticulture and wine production have not yet been clarified with a view to increasing the sector's competitiveness. The vineyards that provide the raw material base have a low return on investment, which stops their expansion and innovative development. While wine producers, who have created large vineyards with EU financial assistance, seek to control the raw material base. In these production structures, banks find good conditions and generously grant loans for their development. Wine companies stand out with a higher return on invested capital and they are the preferred alternative for investment;
- The increase in gross value added (GVA) of both wine production and exports proves that the Common Agricultural Policy (CAP) has a positive effect on the competitiveness of the sector. The growth rate of GVA of the Bulgarian wine sector follows the positive growth rate of GVA at EU level (28). State support has a positive impact on the net income of wine companies and provides good conditions for investors in the sector. Over the years, the share of subsidies in the net income of wine enterprises has increased and reached 85.6%, which is close to a 20% increase in the last 5 years alone. Despite the positive trends in government intervention, it should be noted that wine companies are highly addicted to subsidies,
- The clustering of the wine sector as an approach to achieving sustainable competitiveness is still in its infancy. In this phase there is a combination of production factors in the different industries that form the cluster. This process takes place using different sources to form a competitive advantage. At this stage, the connections between the building blocks of the cluster have already been established, the institutions controlling its development have been formed. A major critical factor for the rapid achievement of a high level of sectoral competitiveness in the cluster is the creation of technology transfer and the attraction of capital to value this technology transfer in competitive products. At this stage, technology transfer is weak and does not lead to a boom in applied innovation;
- Achieving an innovative and competitive wine sector requires research and development (R&D) expenditure, as well as promoting technology transfer from research and education organizations to vineyards and wine enterprises. The main source of R&D funding is the state budget - 98% of R&D in the sector is done annually by the state. There is still a lack of private enterprises to carry out R&D in the sector. At present, the contribution of science to the development of the sector is insufficient due to the low costs of research and development (R&D), innovation and development with practical effect. The link between science and the wine business, the introduction of innovation and technology transfer in the sector are poorly developed. Expanding direct cooperation between research organizations and enterprises and increasing the share of private R&D funding are key issues. The main reasons for this are the slow return on research and development costs and the weak protection of intellectual property in our country.

Chapter IV Analysis of the competitiveness of wine enterprises

In this part of the dissertation validation of stakeholders in the process of managing the competitiveness of the wine sector is performed. Validirand research tools from stakeholders on its suitability and relevance. The competitiveness of the wine enterprises is analyzed through the validated tools and summaries and conclusions are formulated.

The indicators used for analysis and diagnostics of wine enterprises are validated using multi-criteria analysis and the expert evaluation method. Indicators include drivers, markers and competitiveness indicators. The process of validation of the indicators was attended by 33 experts who validated the extent to which the indicators meet the principles set out in the methodological part.

Figure 5 shows the experts' assessment of the drivers for diagnosing the competitiveness of wine companies.

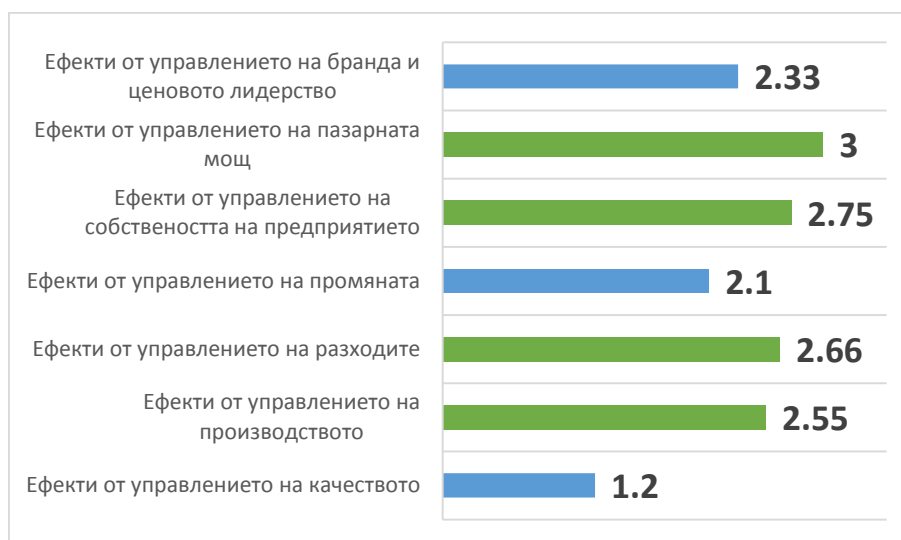


Figure 5 Expert assessment of the validity of drivers for the competitiveness of wine companies. Source: own study, which included 33 experts, 2018.

The individual assessments of the experts for each individual driver are synthesized in an "arithmetic mean", formed as an expert consensus result (EQF), equal to the weighted average score obtained from the sum of all experts on a given driver. Competitive drivers that have received an EQF above 2.5 points are defined as reliable in relation to the underlying principles in the validation of indicators (see figure, green bars). As reliable drivers, the experts indicated - (1) the effects of market power management - the value of the indicator is 3.00; (2) the effects of the management of the property of the enterprise (with value of the indicator - 2.75); (3) the effects of cost management - value of the indicator is 2.66 and (4) the effects of production management - value of the indicator - 2.55.

Figure 6 shows the summary expert assessment of the reliability of the markers for the competitiveness of wine enterprises. Of all 22 markers, the experts validated as reliable - 11 markers

The results of the expert assessment show that with high reliability of the proposed markers for diagnosis of wine enterprises are determined: (1) market share - with a value of 3.00; (2) profitability and return - with a value of 3.00; (3) the competitive advantages - with a value of 3.00; (4) the built brand with a value of 3.00; (5) fair demand for products with a value of 3.00; (6) the offer of unique value for the client - value 2.8; (7) participation in strategic alliances along the value chain - value 2.65; (8) the efficiency of the used resources - value - value 2.55; (9) the availability of new business models - value 2.55 and the liquidity of the enterprise - value 2.55.



Figure 6 Expert assessment of the validity of the competitiveness markers of wine enterprises. Source: own study, which included 33 experts, 2018.

The next element of the analytical apparatus for analysis and assessment of competitiveness, which is subject to validation are the evaluation indicators at the level of the wine enterprise. Of the 30 indicators presented, the experts validated that with high reliability (these are the indicators that received an EQF above 2.5 points) in the study can be used the following 13 indicators (see Figure 7, the pillars in blue): (1) dynamics of market share - value 3.00 of EQF; (2) gross profit; (3) the profitability of sales; (4) return on equity - EQF value also 3.00; (5) return on assets - EQF value 3.00; (6) coefficient of competitiveness - value EQF is 3.00; (7) the dynamics of sales revenues - also 3.00; (8) return on investment - value of EQF - 2.75; (9) the number of innovative products in the enterprise - the value of EQF is 2.55; (10) debt ratio - 2.53; (11) liquidity ratio - 2.53; (12) the amount and structure of research and development costs - 2.5 and (13) the dynamics of labor productivity in the enterprise - the value of the EQF is 2.5.



Figure 7 Expert assessment of the validity of the competitiveness indicators of wine enterprises. Source: own study, which included 33 experts, 2018.

Results of the diagnostics of the competitiveness of the wine enterprises

Figure 8 shows the qualitative assessment of the drivers of competitiveness of wine companies. The survey shows that the main drivers of competitiveness are:

(1) The existence of a system for management of costs, revenues and profits - 93.5% of the surveyed enterprises have given an answer that they have and use such a system and it leads, according to them, to better management of resources used in production. Through this system, managers state that they can control the development of the business model well enough to achieve and develop the competitiveness of the wine enterprise. Despite the large

number of companies using a cost management system, only 34.8% of companies have their own specialists to perform financial and accounting activities. This means that the rest use external specialists to ensure the reporting, control and management of financial flows, ie. outsourcing in financial management is a common phenomenon;



Figure 8 Drivers of competitiveness of wine enterprises. Own survey among 155 wine companies, 2018.

(2) The next most important driver of competitiveness of wine enterprises is the presence of a specialist in human resources management. Of all 155 surveyed enterprises, 38.8% stated that they have such a specialist in their organizational and management structures. Effects of human resource management in the business organization can be sought in increasing labor productivity, which is one of the factors guaranteeing the effectiveness of managing the competitiveness of the enterprise. Although almost every 4th enterprise has a human resources management specialist, only 23.9% of the surveyed enterprises state that they have a labor productivity management system. This survey result,

(3) The presence of marketers in the wine-growing enterprise is the next common driver of competitiveness in the studied set of economic sites. Of all 155 enterprises, 38.7% stated that they have specialists in their organizational and management structures who are familiar with the development of market power. It should be noted that only 21.3% of the surveyed enterprises own and use a market power management system. Such systems are defined as marketing information systems, the purpose of which is to collect information necessary for market segmentation,

profiling of the target market and positioning of the company's products on the market. The low percentage of enterprises with such a system

(4) The drivers that are least important for achieving competitiveness in the sector are: the presence of specialists / innovation managers (3.2% of the surveyed enterprises indicated that they have such specialists in their organizational units) and the existence of a management system of the change in the organization - 3.2% of the total surveyed enterprises. The management of the innovation process is one of the most important factors for achieving the potential for competitiveness of the enterprise. From the survey, it is clear that wine companies do not recognize innovation as a competitive factor. The adaptability of market requirements requires the management of wine companies to effectively manage change in response to the external environment. The survey shows that managers ignore this driver of competitiveness, i.e. change management is not an important aspect of the overall management of the business model.

Table 10 gives the assessment of the dependence between the studied drivers and markers of competitiveness of the studied population of wine enterprises. Out of a total of 13 tested correlations, a statistically significant dependence was proved in 8 of them. The results of the application of chi-square analysis prove that:

- The existence of cost, revenue and profit / loss management systems in wine enterprises affects the efficiency of financial flow management. This dependence is strong in nature (the value of the Kramer coefficient is 0.632), according to the results of the chi-square analysis of the survey data. All other things being equal, the management of costs, revenues and profits can be considered as a factor influencing competitiveness;
- The presence of specialists performing control and management of change affects the efficiency of management of this process in wine enterprises - the value of the Kramer coefficient is 0.587;
- The presence of a specialist in human resources management in the organizational and management structure of wine companies affects the effectiveness of the management of this process, which is classified as a marker of competitiveness - the value of the Kramer coefficient is 0.583;
- The presence of marketers (marketing managers) who control, control and develop market power in the company, affects the effectiveness of market performance management - the value of the Kramer ratio is 0.569, ie. this factor affects the level of competitiveness;
- Existence of a system for management of innovations and innovation processes in wine enterprises affects the efficiency of innovation management as a marker of competitiveness - the value of the Kramer coefficient is 0.521.

It can be summarized that the competitiveness of the surveyed wine enterprises is determined mainly by the management of financial flows; from change management; from human resource management; from marketing management and innovation management. These are the main competitiveness factors proven by the conducted field research.

The presence of quality management systems and quality specialists in the organization of the activity of the wine-growing enterprise cannot be considered as factors determining the competitiveness (value of the Kramer coefficient - 0.146). Another factor that has no proven impact on the level of competitiveness of wine companies is the existence of a system to increase labor productivity - the value of the Kramer coefficient is 0.393.

Table 10 Statistical assessment of the correlation between drivers and markers of competitiveness of wine enterprises. Own survey among 155 wine companies, 2018.

Driver	Marker	Proven dependence	Kramer coefficient V2
Existence of a quality management system	Impact on the effectiveness of quality management	-	0.146 th most common
Availability of a manager / quality specialist	Impact on the effectiveness of quality management	-	0.254 th most common
Existence of systems for increasing labor productivity in the enterprise	Influence on the efficiency of labor resource management	-	0.393

Availability of a human resources management specialist	Influence on the efficiency of labor resource management	X	0.583
Existence of cost, revenue and profit / loss management systems	Influence on the efficiency of cash flow management	X	0.632
Availability of financial and accounting specialists	Influence on the efficiency of cash flow management	-	0.314 th most common
Existence of a system for measuring deviations and change management	Influence on the effectiveness of change management	X	0.561 th most common
Availability of specialists performing control and management of change	Influence on the effectiveness of change management	X	0.587 th most common
Existence of a market power management system	Influence on the efficiency of market power management	X	0.355 th most common
Availability of marketers who master, control and develop market power	Influence on the efficiency of market power management	X	0.569 th most common
Existence of a system for management of innovations and innovation processes	Impact on the efficiency of innovation management	X	0.521
Availability of specialists / innovation managers	Impact on the efficiency of innovation management	-	0.357 th most common
Involvement in strategic alliances along the value chain	Influence on the efficiency of value management along the chain	X	0.312

* scale for estimating the value of the Kramer coefficient: from 0 to 0.29 - weak dependence; from 0.3 to 0.49 moderate dependence; greater than 0.5 - strong dependence

Involvement in strategic alliances along the value chain cannot be defined as a major factor influencing the level of competitiveness of the surveyed wine companies.

The presence of financial and accounting specialists, as well as those to manage the innovation process in wine enterprises, has not been proven as factors determining the level of competitiveness of enterprises in the present study.

Results of the analysis of the relationship between the degree of concentration of capital in wine enterprises and their ability to compete

The next working hypothesis in the dissertation research, which is put to the test, states that the degree of concentration of capital in the wine enterprise determines its potential for achieving and developing competitiveness. The degree of concentration of capital in the wine enterprise is characterized by the indicator amount of assets. The degree of competitiveness is determined on the basis of indicators - market share, return on assets and equity, and return on investment. All these indicators are aggregated into one summary, which is called the coefficient of competitiveness.

The following relationships between competitiveness indicators are examined:

- Relationship between factor indicators (drivers) - "amount of assets", "amount of equity", "amount of investments" and the result indicator (marker) - "market share";
- Dependence between the driver - "market share" and the markers - "return on assets", "return on equity" and "return on sales";
- Dependence between drivers - "amount of assets", "equity", "investments", "market share", "net sales revenue" and the marker - "gross profit";
- Dependence between drivers - "amount of assets", "equity", "market share" on the result indicator (marker) - "return on investment".

It can be summarized that the determining factors in the wine sector are the size of assets and equity. These two factors most significantly affect the competitiveness of wine companies. All other factors, such as market share, gross profit, net sales revenue and investment size, do not have a statistically proven effect on the level of competitiveness. In all studied connections between the selected indicators of competitiveness a real (positive) dependence is proved.

Results of testing the relationship between the type of organizational form of wine enterprises and their ability to compete

Summarizing the results of the statistical analysis, we can conclude that the organizational form partially affects the level of competitiveness of wine enterprises, of the 9 correlations tested, only 4 prove to be statistically significant (see Table 11). It should be noted that in the group of corporate wine companies, which have a more complex organizational and management structure, it is proved that there is a strong influence of this indicator on the level of competitiveness.

Table 11 Statistical assessment of the correlation between the driver - "organizational form" and the markers - "market share", "return on assets" and "coefficient of competitiveness". Own survey among 155 wine companies, 2018.

Driver - "Organizational form of the enterprise "	Marker - „Impact on market share "		Marker - "Impact on return on assets"		Marker - „Impact on competitiveness ratio "	
Vineyards (enterprises) that produce grapes and wine	No statistically significant dependence was demonstrated	Kramer V2 coefficient value 0.561 th most common	No statistically significant dependence was demonstrated	Kramer V2 coefficient value 0.255 th most common	No statistically significant dependence was demonstrated	Kramer V2 coefficient value 0.211
Cooperative wine enterprises	No statistically significant dependence was demonstrated	Kramer V2 coefficient value 0.429	No statistically significant dependence was demonstrated	Kramer V2 coefficient value 0.369 th most common	A statistically significant dependence is proved	Kramer V2 coefficient value 0.421
Corporate wine enterprises	A statistically significant dependence is proved	Kramer V2 coefficient value 0.561 th most common	A statistically significant dependence is proved	Kramer V2 coefficient value 0.551 th most common	A statistically significant dependence is proved	Kramer V2 coefficient value 0.501

Results of the analysis of the competitiveness of the wine enterprises according to the summarizing indicator - coefficient of competitiveness.

The wine enterprises are divided into 3 cereals according to the interval estimates of the values of the competitiveness coefficient. The values are divided into the following three interval estimates: from 0.1 to 1.99 - enterprises with a low level of competitiveness (low level of the competitiveness coefficient); from 2.00 to 3.99 - enterprises with a medium level of competitiveness and over 4.00 - enterprises with a high level of competitiveness. Figure 9 shows the groupings of wine enterprises according to the achieved level of competitiveness.

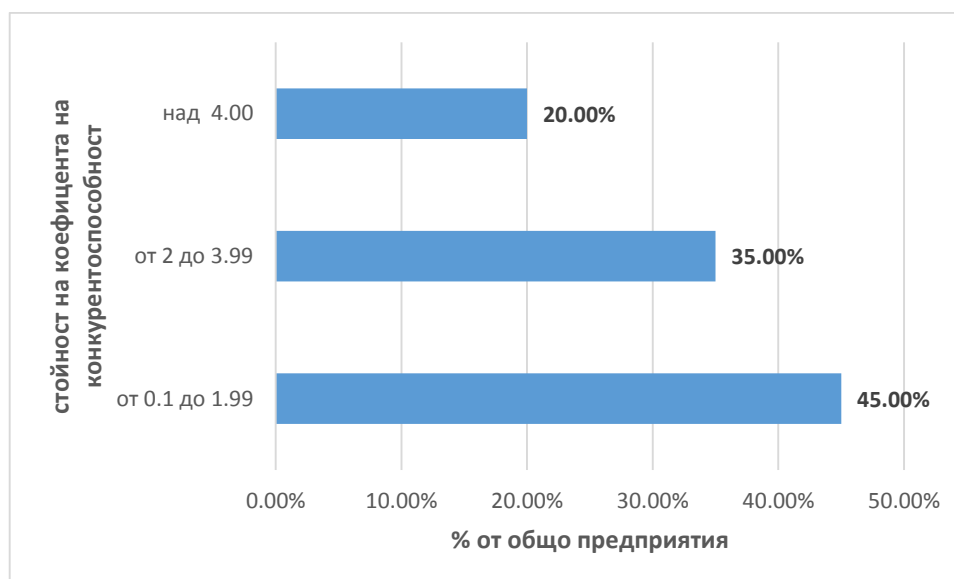


Figure 9 Grouping of wine enterprises according to their level of competitiveness. Own survey among 155 wine companies, 2018.

The published data show that it is the largest group of wine enterprises, which have a low level of competitiveness (45% of the total surveyed enterprises). These are mainly small enterprises that grow small areas of vineyards and mainly vinify their grapes in external processing structures. The enterprises, which are determined with an average level of competitiveness, occupy 35% of the total surveyed economic sites. The smallest is the group of enterprises that have achieved a high level of competitiveness - 20% of all surveyed sites.

Summaries and conclusions arising from the diagnosis of the competitiveness of wine enterprises

By involving stakeholders in the evaluation of the indicators of competitiveness of wine enterprises, the aim is to validate the research tools. In the course of the process of validation of the indicators it was established that:

- reliable drivers of competitiveness are: (1) the effects of market power management; (2) the effects of the management of the property of the enterprise; (3) the effects of cost management and (4) the effects of production management. The effects of the management of these aspects of the wine business are defined as factors generating competitiveness in the sector;
- reliable markers for diagnosing the competitiveness of wine enterprises are: (1) market share; (2) profitability and return; (3) competitive advantages; (4) the built brand; (5) fair demand for products; (6) the offer of unique value for the client; (7) participation in strategic alliances along the value chain; (8) the efficiency of the resources used; (9) the existence of new business models and (10) the liquidity of the enterprise.

As a result of the subsequent analysis, with the help of the validated tools, the following conclusions and summaries are formed:

- Receivables from suppliers are many times higher than liabilities to them in the wine sector. This defines wine companies as more disciplined in financial relationships, participating in the value chain. In general, it can be concluded that there is a significant inter-company indebtedness in the industry, which may be a factor limiting the competitiveness of the industry. Liabilities to suppliers and liabilities to financial enterprises (banks) are structural. The high indebtedness of enterprises to banking institutions may also be a problem in managing competitiveness in the future;
- The return on assets remains low in the surveyed wine enterprises. The main reason for the low return on assets, according to company managers, is the fact that they have recently acquired their new assets and it takes time for them to start generating a higher value of revenue and hence return. Most of the wine enterprises (2/3 of the surveyed population) indicate that another main reason for the low return is the accumulated losses (from previous years) is their inability to collect their receivables from suppliers and customers. This determines the inability of enterprises to pay with commercial banks on the accumulated liabilities for the use of investment loans granted by them;

- Overall, profitability in the sector has remained relatively low over the years. The structure of costs reveals that the most significant for the activity are the costs for raw materials - 56% and the costs for external services - 15%;
- It can be summarized that the competitiveness of the surveyed wine enterprises is determined mainly by the management of financial flows; from change management; from human resource management; from marketing management and innovation management. These are the main competitiveness factors proven by the conducted field research;
- All studied drivers have a positive impact on the market share (expressing market power) of wine companies, ie. as assets, equity and investment increase, market share increases, other things being equal.
- It can be summarized that the determining factors in the wine sector are the size of assets and equity. These two factors most significantly affect the competitiveness of wine companies. All other factors, such as market share, gross profit, net sales revenue and investment size, do not have a statistically proven effect on the level of competitiveness. In all studied connections between the selected indicators of competitiveness a real (positive) dependence is proved. The above results prove that the concentration of capital is a major determinant of competitiveness in the wine sector.

The choice of organizational form of the wine enterprise determines the approach that will be followed to achieve the set levels of capital concentration in its business model. Summarizing the results of the statistical analysis, we can conclude that the organizational form partially affects the level of competitiveness of wine enterprises, of the 9 correlations tested, only 4 prove to be statistically significant. It should be noted that in the group of corporate wine companies, which have a more complex organizational and management structure, it is proved that there is a strong influence of this indicator on the level of competitiveness.

The structure of the internal market is defined as monopolistic. The average market share of a wine enterprise is 1.8%. Of the surveyed set of enterprises, the market leader owns 21.6% of the market. According to the interval values of the competitiveness coefficient, the largest is the group of wine enterprises, which have a low level of competitiveness (45% of the total surveyed enterprises). These are mainly small enterprises that grow small areas of vineyards and mainly vinify their grapes in external processing structures. The enterprises, which are determined with an average level of competitiveness, occupy 35% of the total surveyed economic sites. The smallest is the group of enterprises that have achieved a high level of competitiveness - 20% of all surveyed sites, these are mainly corporate structures with large assets and capital, which have managed to close the "production cycle". These companies strive to control quality,

Chapter V. Analysis of the strategic planning activities of the wine enterprises

In this part of the dissertation, the analysis is performed in two main directions - the distribution of answers to each question included in the survey and the relationship between company strategic activities and indicators characterizing the competitiveness of individual business units in the wine sector. The analysis, which is conducted on the distribution of the received answers, aims to present the state, problems and prospects for development of the sector as a whole, revealing the general, typical in the existing business environment. The analysis in the second direction, unlike the previous one, looks for those specific moments that affect the competitiveness of the individual wine enterprise.

By applying chi-square analysis, an assessment of the interaction of the factors determining the sustainability of the competitive advantages of the wine enterprises is sought. The drivers of sustainability are the access of enterprises to finance, innovation and marketing.

The table shows the results of the tested relationships between the studied indicators in the wine enterprises. The data obtained show that the resilience of competitive advantages in the market (internal and external) is determined by the access of enterprises to finance, innovation and marketing. These resources provide the basis for development and achieving sustainability in market positions. Access to finance determines the speed with which the wine company will occupy a certain market niche. With a larger amount of finance, the company can quickly penetrate and capture the market niche. This process requires marketing that is adequate to market requirements, which is why marketing resources are also a critical factor for market success. The creation of new business models is a prerequisite for entering new markets, in which competition is initially absent or weak. Access to innovation determines the degree of innovation of wine companies. The more innovative an enterprise is, the more competitive it stands out from other market participants. The growth of the enterprise, as well as the creation

and / or restructuring of its business model require management to be able to effectively manage changes in the organization. The measurement of deviations, as well as the audit of the bifurcation zone in the business development of the enterprise are also critical factors determining the market success. so it stands out with higher competitiveness than other market participants. The growth of the enterprise, as well as the creation and / or restructuring of its business model require management to be able to effectively manage changes in the organization. The measurement of deviations, as well as the audit of the bifurcation zone in the business development of the enterprise are also critical factors determining the market success. so it stands out with higher competitiveness than other market participants. The growth of the enterprise, as well as the creation and / or restructuring of its business model require management to be able to effectively manage changes in the organization. The measurement of deviations, as well as the audit of the bifurcation zone in the business development of the enterprise are also critical factors determining the market success.

Table 12 Result of chi-square analysis to establish the interaction between companies' access to finance, innovation and marketing and the sustainability of their competitive advantages. Own survey among 155 wine companies, 2018.

Sustainability drivers	Marker - "Sustainable competitive advantages"
Access of the wine enterprise to finance	presence of connection Kramer odds value (0.496)
Access of the wine enterprise to innovation	presence of connection value of Kramer coefficient (0,391)
Access of the wine enterprise to marketing	presence of connection Kramer odds value (0.351)

Analysis of the sources of competitive advantages of wine enterprises

Figure 10 shows the results of the survey conducted among wine companies.

The results show that the most significant sources of competitive advantage are: (1) the new organization of the business model in the sector; (2) the established brand and (3) the strategy of adding new products to the existing product range. Business organizations in the sector, which seek and apply new business models, seek to strengthen their brand and invest in diversification of the product range, stand out as competitive among other participants in the wine sector.



Figure 10 Assessment of the sources of competitive advantages of wine companies. Results of a survey among 155 wine companies, 2018. The sum of the percentages is more than 100%, due to the fact that respondents can indicate more than one answer in the questionnaire.

As insignificant (low importance) sources of competitive advantage in the wine sector are defined: (1) the marketing strategy, which formulates and follows the wine enterprise, and (2) the conclusion of strategic alliances in the chain of values. These two elements are not important in formulating and developing competitive advantages in the sector. According to managers, the marketing strategy can be easily deciphered and copied by the main competitors in the long run and therefore it cannot be considered a sustainable factor that generates a competitive advantage in the market. The conclusion of strategic alliances along the value chain is also not recognized as a reliable source of sustainable competitive advantage. Joining such unions can lead to a loss of autonomy in management decisions,

Degree of implementation of the strategic planning activities in the wine-growing enterprises

Figure 11 shows the comparative characteristics of the implemented strategic planning activities by the surveyed 155 wine enterprises. The comparison is made in terms of the organizational form of enterprises.

The graphic analysis shows that the strategic planning of the activity is more common in the corporate wine enterprises (AD, EAD, OOD and EOOD). In most of these enterprises, the strategic planning activities are implemented consistently and thus they impose a comprehensive strategic approach to managing their competitiveness.

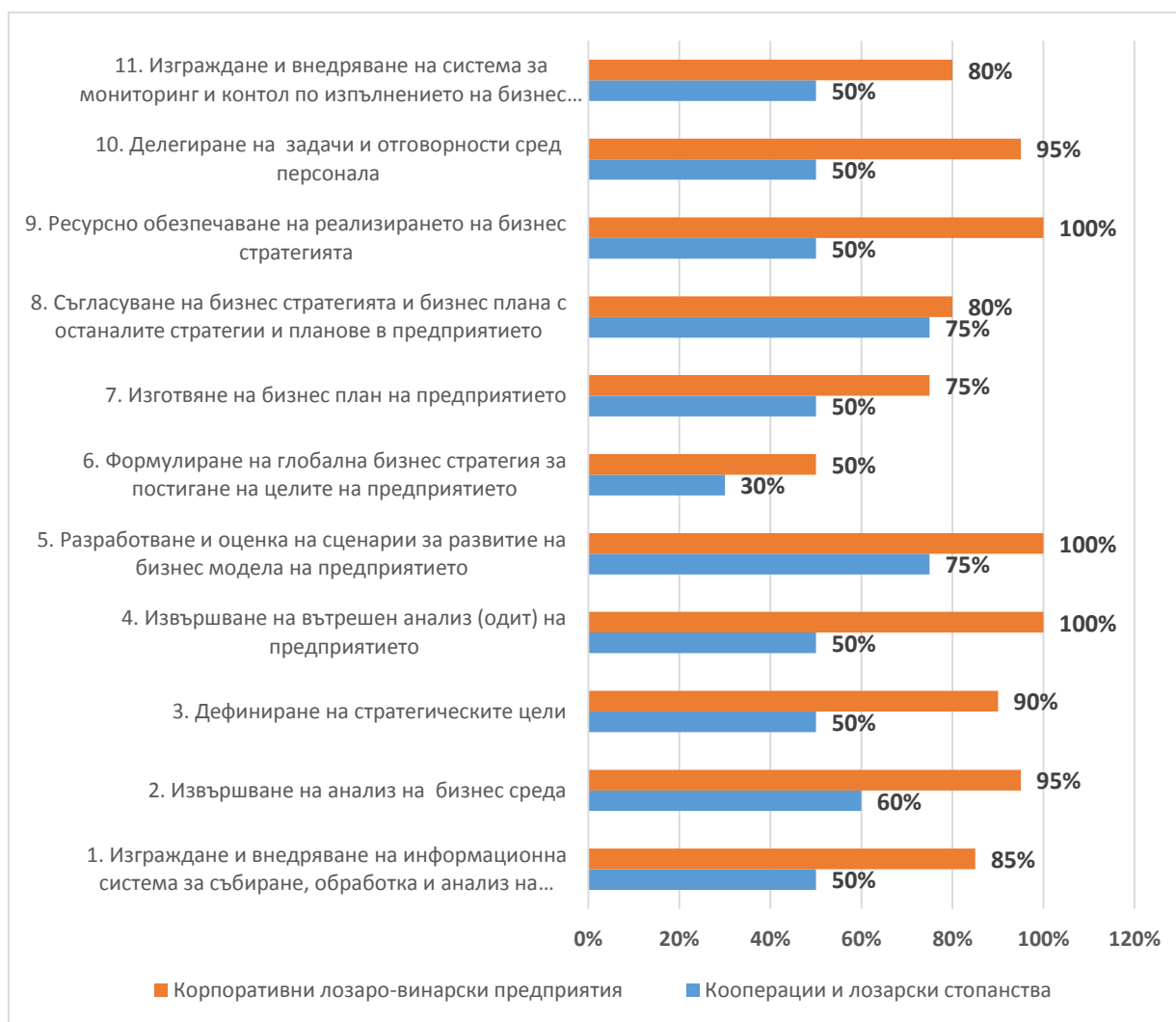


Figure 11 Degree of implementation of the strategic planning activities depending on the organizational form of the wine enterprises. Own survey among 155 wine companies, 2018.

The following strategic activities are implemented consistently and systematically in the enterprises - construction and implementation of an information system for environmental analysis (85% of the surveyed enterprises perform this activity); conducting an analysis of the business environment (95% stated that they carry out this activity); defining and sharing with staff the strategic goals (90% have stated that they do); performing an internal audit to identify problems (100% of companies do this type of analysis); development and evaluation of scenarios for business development (100% of enterprises perform this type of activity); coordination of the business strategy with the other strategies of the enterprise (80% gave a positive answer); resource provision of the business strategy (100% of the enterprises state that they carry out this activity); delegation of tasks and responsibilities among staff (95% of companies give a positive answer); construction and implementation of a monitoring system (80% of enterprises state that they have such a system).

The most neglected strategic activities in the group of corporate enterprises are: (1) the formulation of a business development strategy (50% state that they do not perform this activity) and (2) the development of a business plan for market development of the enterprise (75% indicate, that they do not perform this activity systematically). Corporate enterprises share the risk of carrying out these planned activities by delegating them to an external contractor (outsourcing) or using the expertise of an external expert.

In the group of cooperatives and vineyards there is a lower degree of application of strategic business planning.

In 7 out of 11 strategic activities, half (50% of the total enterprises) do not implement them systematically and consistently, namely: the construction and implementation of an information system ensuring strategic planning; defining the strategic goals; performing an audit of the enterprise; preparation of a business development

plan; the resource provision of the business strategy; the delegation of tasks and activities of the staff; building a system for monitoring the implementation of the business strategy. It should be noted that the strategic approach in this group of wine companies is limited by the lack of financial capacity to attract specialists to impose this approach or the use of external consulting assistance.

The results of the statistical analysis show that the implementation of the 11 strategic activities is related to the presence of a strategic unit in the structure of enterprises. All other things being equal, the enterprises, which have a separate strategic unit, perform the planned activities set out in the study, striving to be effective in the strategic management of the enterprise. In theoretical terms, the longer the period of market presence of the enterprise, the greater the potential it has to compete, learning from the response of the business environment to it. The results of the statistical analysis show that there is a proven relationship between the implemented strategic activities and the age of the business model. In 5 of the 11 examined connections such dependence was proved (see Table 13). Enterprises, who have built an information system for collecting and analyzing information about the factors of the business environment, analyze the business environment and form a business strategy, have the potential through these strategic activities to achieve a competitive advantage in the market. It is important for these companies to develop a detailed and sound business plan and to implement a system for monitoring the implementation of their business strategy in order to maintain their market superiority over time.

In the third type of relationship between the implemented strategic activities and the amount of assets, 3 activities are established that have statistical significance. These are the analysis of the business environment; performing internal analysis of the enterprise and building and implementing a monitoring system for the implementation of the business strategy. The implementation of these strategic activities guarantees higher efficiency in the management of competitiveness.

Table 13 Statistical testing of hypotheses for the relationship between the implemented strategic activities and the existence of a strategic unit; the year of commencement of the business and the amount of the assets of the enterprise. Own survey among 155 wine companies, 2018.

Strategic activities (drivers of competitiveness)	Strategic unit	year of starting the business	amount of assets
1. Construction and implementation of an information system for collection, processing and analysis of strategic information	presence of connection (0.511) *	presence of connection (0.596) *	missing connection (0.221) *
2. Performing analysis of the internal and external business environment	presence of connection (0.455) *	presence of connection (0.335) *	presence of connection (0.501) *
3. Defining strategic goals	presence of connection (0.483)	presence of connection (0.387) *	missing connection (0.110) *
4. Performing internal analysis (audit) of the enterprise	presence of connection (0.396) *	missing connection (0.125) *	presence of connection (0.385) *
5. Development and evaluation of scenarios for the development of the business model of the enterprise	presence of connection (0.258) *	missing connection (0.155) *	missing connection (0.224) *
6. Formulation of a global business strategy to achieve the goals of the enterprise	presence of connection (0.587) *	missing connection (0.254) *	missing connection (0.305) *
7. Preparation of a business plan of the enterprise	presence of connection (0.391) *	missing connection (0.102) *	missing connection (0.123) *
8. Coordinating the business strategy and the business plan with the other strategies and plans in the enterprise	presence of connection (0.411) *	missing connection (0.197) *	missing connection (0.221) *

9. Resource provision for the implementation of the business strategy	presence of connection (0.556) *	presence of connection (0.410) *	missing connection (0.102) *
10. Delegation of tasks and responsibilities among staff	presence of connection (0.336) *	missing connection (0.354) *	missing connection (0.110) *
11. Construction and implementation of a system for monitoring and control over the implementation of the business strategy	presence of connection (0.451) *	presence of connection (0.445) *	presence of connection (0.396) *

* value of the Kramer Coefficient V2

It can be summarized that the strategic activities are performed in those wine companies that have a strategic unit in their structure, have gained experience in their market presence and have more assets than their main competitors.

The results of the statistical analysis show that the clear formulation of the business strategy, as well as the clear delegation of tasks for following this strategy are a key factor for success. Performing periodic internal analysis of the company and combining the business strategy with other functional strategies in the company are another, also critical factor for business success. Table 14 provides a summary statistical assessment testing the relationship between the strategic activities carried out in the wine enterprises and the level of competitiveness achieved, expressed by the relevant markers.

Table 14 Statistical test of hypotheses for the relationship between the implemented strategic activities and the achieved market share, return on assets and coefficient of competitiveness of the wine enterprise

Strategic activities (drivers of competitiveness)	Market share	Return on assets	Coefficient of competitiveness
Construction and implementation of an information system for collection, processing and analysis of strategic information	missing connection	missing connection	missing connection
Performing analysis of the internal and external business environment	missing connection	missing connection	missing connection
Defining strategic goals	missing connection	missing connection	missing connection
Performing internal analysis (audit) of the enterprise	presence of connection 0.401 *	presence of connection 0.433 *	presence of connection 0.463 *
Development and evaluation of scenarios for the development of the business model of the enterprise	presence of connection 0.459 *	presence of connection 0.399	presence of connection 0.429
Formulation of a global business strategy to achieve the goals of the enterprise	presence of connection 0.415 *	presence of connection 0.511 *	presence of connection 0.365 *
Preparation of a business plan of the enterprise	missing connection	missing connection	missing connection
Coordinating the business strategy and the business plan with the other strategies and plans in the enterprise	missing connection	missing connection	missing connection
Resource provision for the implementation of the business strategy	presence of connection 0.435 *	presence of connection 0.449 *	presence of connection 0.395 *
Delegation of tasks and responsibilities among staff	presence of connection 0.355 *	presence of connection 0.467 *	presence of connection 0.555 *
Construction and implementation of a system for monitoring and control over the implementation of the business strategy	presence of connection 0.455 *	presence of connection 0.501 *	presence of connection 0.445 *

* value of the Kramer coefficient

From the performed statistical analysis, 6 strategic activities clearly stand out, which have a systemic impact on the level of competitiveness of the enterprise, and these are: (1) performing internal analysis of the enterprise, (2) developing and evaluating scenarios for business model development, (3) the formulation of a business strategy for achieving the goals of the enterprise, (4) the resource provision of the business strategy; (5) delegating tasks and responsibilities among staff; and (6) building a system to monitor the implementation of the business strategy. These strategic planning activities have an impact on the dynamics of market share, return on assets and the level of competitiveness.

Results of testing research hypotheses

This section presents the results of testing the research hypotheses set in the research. Table 15 summarizes the results of this process. The last column of the table shows the proven correlations between the studied indicators of competitiveness, which are characterized as moderate and strong.

Table 15. Results of testing of research hypotheses. Own.

Research hypotheses and problems	Solved scientific problems arising from the hypothesis	Authentication method	Proven hypothesis / Proven dependence
<p>H11 Competitiveness is a complex (multi-layered) socio-economic process, the management of which requires the systematic application of the strategic planning approach;</p> <p>H10 Competitiveness is not a complex (multi-layered) socio-economic process, the management of which requires the systematic application of the strategic planning approach.</p>	In-depth scientific review of the theory of competitiveness	Scientific abstraction	<p>H11 Competitiveness is a complex (multi-layered) socio-economic process, the management of which requires the systematic application of the strategic planning approach.</p>
<p>H21 There are indicators that can be used to identify the competitive determinants arising from the business environment when studying the competitiveness of the sector;</p> <p>H20 - there are no indicators that can be used to identify the competitive determinants arising from the business environment when examining the competitiveness of the sector;</p>	Identification and validation of competitiveness indicators	Method of scientific abstraction; Expert evaluation method and multicriteria analysis method	<p>H21 There are indicators that can be used to identify the competitive determinants arising from the business environment when studying the competitiveness of the sector;</p>
<p>H31 - the degree of concentration of capital in the wine enterprise determines its potential for achieving and developing competitiveness;</p> <p>H30 - the degree of concentration of capital in the wine enterprise does not determine its potential for achieving and developing competitiveness;</p>	Testing the relation "concentration of capital - level of competitiveness"	Regression analysis	
<p>Problem identified "What are the competitive determinants in the sector?"</p>	Testing the relationship availability of management systems and relevant specialists in the enterprise - the achieved effects of management	Chi square analysis and Kramer coefficient	
<p>H41 - the organizational form of the wine enterprise creates a framework for capital accumulation, and hence for achieving and developing competitiveness in a strategic aspect;</p> <p>H40 - the organizational form of the wine enterprise does not create a framework for capital accumulation, and hence for achieving and developing competitiveness in a strategic aspect;</p>	Testing the relation "type of organizational form - level of competitiveness"	Chi square analysis and Kramer coefficient	<p>H41 - the organizational form of the wine enterprise creates a framework for capital accumulation, and hence for achieving and developing competitiveness in a strategic aspect;</p>

<p>H51 - the main competitive determinants in the wine sector are: (1) access to innovation, (2) access to marketing and (3) access to finance;</p> <p>H50 - the main competitive factors in the wine sector are not: (1) access to innovation, (2) access to marketing and (3) access to finance;</p>	Testing the relation "competitive determinants - level of competitiveness"	Chi square analysis and Kramer coefficient	<p>H51 - the main competitive determinants in the wine sector are: (1) access to innovation, (2) access to marketing and (3) access to finance;</p>
Identified problem "What are the sources of competitive advantages?"	Assessment of the sources of competitive advantages	VRIO - analysis; Graphic analysis	<p>New organization of the business model;</p> <p>The established brand;</p> <p>Adding new products to the product range</p>
<p>H61 - the implementation of the strategic planning activities determines the ability of the wine enterprise to compete;</p> <p>H60 - the implementation of the strategic planning activities does not determine the ability of the wine undertaking to compete</p>	Testing the relation "strategic planning activities - level of competitiveness"	Chi square analysis and Kramer coefficient	<p>H61 - the implementation of the strategic planning activities determines the ability of the wine enterprise to compete;</p>

Conclusions and summaries arising from the analysis of the strategic approach to competitiveness management in wine enterprises

As a result of the analysis of the business environment in which the wine enterprises operate, the following conclusions are formulated:

- The factors guaranteeing market success in the sector are: (1) the quality of the produced products and (2) the diversification of the product portfolio, which explains the investments made in the renewal of the technological equipment and in the creation of own vineyards;
- Wine companies use different sources of funding, mainly due to the fact that investments in the sector in recent years have been significant and would be difficult to finance in only one way, ie. they seek to differentiate financial risk. Most companies say they are looking for finance to invest in technological innovation and in implementing quality systems to increase their competitiveness. This proves that financial planning and management will be even more important in the future to achieve a competitive advantage in the sector;
- Wine-growing enterprises, in general, face serious problems in finding staff (1/3 of the surveyed enterprises share this opinion). A significant number of wine companies point out that their specialists need training in developing strategic management skills;
- The provision of enterprises with strategic organizational and managerial resources is carried out in two ways - (1) through the construction and development of their own strategic unit and (2) through the use of business outsourcing. Basically, joint stock companies have a strategic unit in their organizational and management structure to implement strategic planning activities, while other wine companies prefer to use outsourcing;
- The concentration of financial capital in the joint stock companies defines the financial unit as leading in the implementation of the strategic planning activities. The finance department has priority in the strategic planning of the competitiveness of this type of wine-growing enterprises, and its head has a crucial role in the top echelon of management;

As a result of the analysis of the application of the strategic approach to competitiveness management in wine enterprises, the following conclusions are formulated:

- There are gaps in the implementation of strategic planning activities. Activities that underlie the overall business planning and management process have been ignored (in whole or in part), which poses barriers to increasing the competitiveness of wine companies;

- The strategic approach in the management of the company's competitiveness is most essentially and systematically imposed in the group of enterprises that are joint-stock companies. These enterprises invest efforts and resources in imposing the strategic planning of the business activity and on this basis achieving a competitive advantage on the market;
- The implementation of strategic planning activities has an impact on the market power of enterprises and on their profitability (measured on the basis of assets and equity). Most of the corporate wine enterprises (2/3 of the surveyed enterprises in this group) have a separate strategic unit (or specialist) that performs strategic planning activities. These companies are also defined with higher competitiveness as opposed to those that delegate the implementation of all or part of the strategic activities to external companies (outsourcing);
- Wine-growing enterprises that update their technological level (use technological innovations) and implement a strategy of broad product diversification are defined as the most competitive and adaptable to market requirements;
- The constructed statistical model for checking the reliability of the studied dependence between the implemented strategic planning activities and the achieved company competitiveness, proves that such a dependence is present. Following the strategic approach of planning in achieving and managing the competitiveness of the enterprise proves to be a reliable tool that managers can handle.

Chapter VI. Strategic profiling of the competitiveness of the wine sector

The research conducted in the analytical part of the dissertation shows that the following problems exist in the sector: relatively low commodity of the industries; opportunistic behavior among the participants in the value chain, which leads to low levels of trust between them; loss of comparative advantages on the international market; tangible intercompany indebtedness; insufficient funding opportunities for SMEs wishing to develop their competitive advantages by investing in innovation and quality management systems; gaps in the implementation of strategic planning activities that compromise the strategic management of business activities; financial impossibility to attract specialists in strategic business planning to perform the strategic activities in the enterprise;

Strategizing the competitiveness of wine companies

The validation of the results of the performed analysis of the factors determining the company and sector competitiveness is carried out through the application of the focus group method. By summarizing the results of the analysis in the dissertation, strategists (and managers) from selected wine companies (mainly looking for stakeholders with a high degree of involvement and level of influence in the sector) seek validation of the conclusions resulting from the analysis. Using the technique of the SWOT-matrix, the factors for successful development of the wine-growing enterprises in terms of their company competitiveness are identified.

Figure 12 shows the constructed SWOT-matrix, showing the state of the sector at the level of summarized results of the conducted focus groups. The matrix thus constructed makes it possible to propose measures and undertakings to increase the company competitiveness of enterprises in the sector.

Stakeholders in the wine sector highlight the following strengths of business organizations as the most important:

- Enterprises (micro and small ones) are adaptive and motivated to achieve sales growth;
- The companies are defined with good liquidity. The survey showed that companies have high overall liquidity. Financial professionals share the same opinion and point to it as a strength of the companies they represent;
- Striving to introduce innovations in production. 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 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 control 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).

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
Diversify the sources of financial risk	Creation 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 labor 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

Figure 12 SWOT - matrix for identifying the factors for increasing the financial competitiveness of enterprises. Source: Summary of focus group results. (summary of the opinion of 53 experts, divided into 3 focus groups).

As weaknesses in the management of wine enterprises, the participants in the focus groups point out the following:

- 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. As a result of the discussions and the formulated conclusions from the analytical study, the following opportunities for increasing the competitiveness of wine enterprises have been identified:

- Creating 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 capital concentration, 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 established that the small wine-growing enterprises have aspiration, but not the opportunity to be innovative and in this line to successfully compete on 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 sharing of financial costs for the creation and implementation of innovative products is present. In this way, major competitors in the market cooperate in terms of innovation costs in order to achieve greater market competitiveness. Following this model can be applied to micro, small and medium-sized wine enterprises,
- Establishment of mutual financial funds. Innovation, which is a necessary factor for diversifying the product range, requires 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 an essential 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:

- The 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 environment, when interest rates are still low and credit expansion is ongoing in the sector, companies are looking for ways to repay old debts to banks through additional bank financing. This dependence in changing 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 labor 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 be administered and will be a function of the solvency of the wine companies in relation to the outsourcing service provider;
- Increasing competition, 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.

Assessment of the interaction of the factors for increasing the competitiveness of the wine enterprises

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 what management decisions will be implemented to achieve these

strategic goals. Once these tasks are solved, the main guidelines for increasing the company competitiveness of wine companies can be formulated.

The map of strategic decisions solves the following problems: 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 solutions 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 2503, which is higher than the assessment of weaknesses - 2396). These results of the expert assessment determine that the wine companies have the potential to increase their company competitiveness by attacking the opportunities with their most significant strengths. As the most significant strengths, the respondents identified the following:

- (1) The desire of enterprises to implement innovations in production;
- (2) Small businesses are adaptive and motivated to achieve sales growth by increasing their market share by differentiating their products;

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;
- (2) The high indebtedness to the banks and the suppliers of resources, providing the activity of the enterprise

In the process of strategizing 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.
- (2) Cooperation regarding the strategic planning of wine enterprises.

In the next stage of the analysis, the experts identify the most significant outbreaks that hinder 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;
- (2) The intensification of competition in the market, with the increasing dominance of the big players.

SWOT матрица		ВЪЗМОЖНОСТИ					ЗАПЛАХИ					Σ на оценките на редовете	
		Създаване на умения и компетенция за стратегическо управление	Коопериране по отношение на стратегическото планиране	Споделяне на финансовите разходи за създаване и внедряване на иновации	Нови бизнес модели, позволяващи увеличаване на фирмената конкурентоспособност	Създаване на взаимни финансови фондове	Монополистична структура на пазара	Силна зависимост от кредитната политика на търговските банки	Недостатъчно предлагане на опитни специалисти по стратегическо планиране на пазара на труда	Изостряне на конкуренцията, големите стават все по-агресивни към пазарния дял на малките играчи на пазара	Неравен достъп до държавна финансова помощ и субсидии		
СИЛНИ СТРАНИ	Адаптивни и мотивирани да реализират растеж на продажбите	66	30	71	79	95	30	33	19	95	33	551	2503
	Ликвидни	33	59	81	30	60	25	91	26	19	11	435	
	Стремеж към внедряване на иновации в производството	95	55	75	15	55	91	75	57	85	28	631	
	Диверсифицират източниците на финансов риск	91	99	61	45	45	9	87	8	30	55	530	
	Имат устойчив пазарен дял	80	65	59	12	11	15	65	16	20	13	356	
СЛАБИ СТРАНИ	Висока задлъжност	60	91	71	44	41	30	99	65	11	15	527	2396
	Недостатъчно оборотен капитал	95	33	81	15	19	59	54	11	57	51	475	
	Неразнообразват източниците на пазарен риск	15	30	11	19	25	81	77	19	83	77	437	
	Системни пропуски при изпълнение на стратегическите дейности	59	79	35	63	51	11	61	71	95	11	536	
	Нямат условия за привличане на опитни стратегии/ Нямат обособено стратегическо звено	93	31	9	33	33	9	11	85	28	89	421	
Σ на оценките в колоната		687	572	554	355	435	360	653	377	523	383		

Scheme 1 Summary map of strategic decisions. Sum of individual evaluations of 53 experts. Own, 2018.

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.

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.

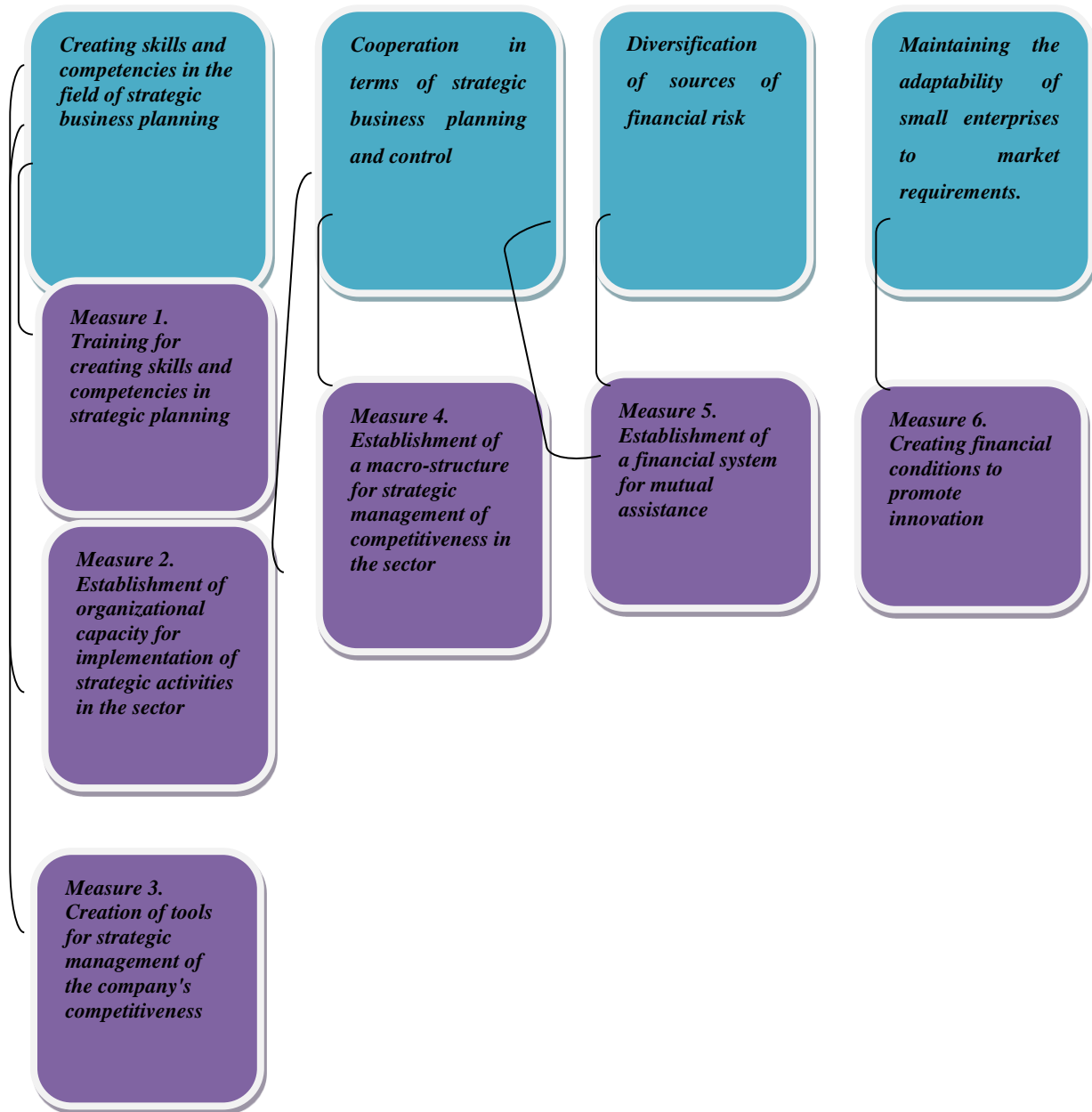


Figure 1 Tree of strategic goals and measures to increase the competitiveness of the sector. Source: Own interpretation.

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

In the quadrant "Strengths-Opportunities", which has the highest score of the 4 quadrants on the map of strategic decisions, the highest score (95 points) determines the interaction of the strengths "Creating skills and competencies in the field of strategic planning". The evaluation of the interaction determines the main motives for pursuing the stated strategic goal. The main motives for pursuing the goal are the desire of enterprises to implement innovations in production, a process that complicates the financial management of the enterprise and the desire to diversify financial risk (the relationship between this strength with the possibility is second in quadrant, assessed by experts with 91 points). 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.

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 weakness with the specific opportunity is assessed with the highest total assessment - 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 regarding the strategic business planning of micro 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 (assessment of the relationship strong country with the possibility of 99) and by achieving even more sustainable market share (see expert assessment is 65). The main problems that must be taken into account in the implementation of the strategic goal are the following: 1) systemic gaps in the implementation of strategic activities at the enterprise level (see the score is 91) and high indebtedness (score - 91). 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 organizations financing 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 for 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, aimed at increasing the competitiveness of enterprises and the sector as a whole (see Fig. 13).

Measure 1. "Training for the creation of 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. "Building 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 a 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. "Establishment of a financial system for mutual assistance." The purpose of this system is to support small businesses in the sector by creating alternatives to low-interest financing. This can be done by building a financial system at the sectoral level, centered 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 the mentioned 6 measures seeks the realization of a multiplier and synergistic effect, ie. the implementation of each measure will enable the achievement of more than one of the set strategic goals.

Change management approach to achieve a higher level of competitiveness

The presented approach to change management in the wine enterprise offers a system of tools that managers can use in making decisions for change in order to achieve a higher level of company competitiveness. The approach includes the following elements: (1) identification of the phases of change with a view to studying and managing the change in the wine enterprise; (2) tools for initiating and managing the change, with the help of which to carry out diagnostics of the competitiveness of the wine-growing enterprise and on the basis of it to take steps for realization of the organizational change; (3) a model for encouraging and involving company staff in implementing change.

Defining the phases of change. Modern business organizations in the wine sector are increasingly unresponsive to change in a way reflected in the current understanding of competitiveness theory. They simply increase the maximum revenue from wine sales, regardless of costs, minimizing profits, ie. do not aim for maximum profit and upset the balance "maximum profits / maximum sales"⁶⁵. Often indicators related to the analysis of investment processes in case of changes in values for staff, systems and procedures for achieving a balance between company and consumer goals are not focused on risk assessments and the necessary changes in strategic resources to maintain this balance.

We distinguish the following three strategic conditions of cyclicity in the development of wine enterprises under conditions corresponding to the three types of order of stability, namely: first order - pre-buffering phase or phase of partial chaos; second order - post-buffering phase or resultant phase; a third order of change called the intervention phase (causing partial chaos in the long run). The indicators and their change for the different phases are shown in Table 16.

Table 16 Strategic conditions determining the phases of change in the wine enterprises. Source: own.

Strategic conditions characterizing the determinism of wine enterprises for change		
<i>Prebifurcation phase (partial chaos)</i>	<i>Bifurcation phase (phase of determination for change)</i>	<i>Intervention phase (post-bifurcation phase)</i>
Increase: the complexity of management; the risks; demobilization for team work; conflicts and rumors; scarcity of resources; opportunism, etc. Include: the motivation of the teams for work, the job satisfaction; information access; compliance with group norms of behavior, etc.	Increase: staff redundancies; redundancies in the staff incentive system; overhead savings; mergers and shrinkage of production capacity; indebtedness, management crises, tensions and staff stress; Include: labor productivity; sales revenue; gross profit; the profitability of the business and the return on the resources invested in the production, etc.	Increase: the need for change; resistance to changes; investment in new alternative development solutions (innovations); motivation to work; labor productivity; solvency, liquidity and profitability of the activity Include: tension and stress among staff; the number of conflicts; management crises, etc.

Using the neoclassical approach to determine the determinism of wine companies to implement changes to achieve sustainable competitiveness in market conditions, we seek to identify criteria for the presence of determinism. These criteria are named in the "regime, order and direction" change management approach. In choosing and clarifying their nature, we are based on the following immanent characteristics, namely:

The first criteria "regime" of adoptions, we determine on the basis of the degree of changes occurring in the strategic factors of competitiveness of wine enterprises.

⁶⁵ The results of the regression analysis show that the determination between sales revenues and gross profit is weak in the surveyed wine enterprises (data from 155 sites)

The order of sustainability is the second criterion in determining the indicators for assessing the determinism of wine companies for change. It can be used to study and evaluate the relationships of the factors that make up the company (employee motivation, leadership style, conflicts, goals, group dynamics, etc.).

Defining tools for identifying the needs for change. Once the phases of change have been defined, the next step is to use a reliable tool to measure the condition of the wine enterprise in view of when managers need to initiate a change in its business development. The proposed tools for analysis and identification of the needs for change in the business development of the wine enterprise is based on the concept of change management depending on the product life cycle. In other words, the effectiveness of the wine company's product strategy is defined as a marker of change. By measuring the achieved effects of its application, managers can identify and follow various solutions to initiate a change in the course of market development of the enterprise.

Two variables are important in the planning of the product strategy, as a driver of change in the development of the wine enterprise - one is the level of specialization (width of the product range), and the second is the scale of production (depth of the product range). Table 17 shows the matrix built on the basis of the specified criteria - scale of production and level of specialization. The matrix shows four different types of product strategies that wine companies most often use to develop their business model.

Table 17 Types of product strategies as drivers of change. Source: own.⁶⁶

Degree of specialization / depth of the product range		Production scale / width of the product range	
		Small / less than 50,000 bottles in a line	Large / more than 500,000 bottles in a line
	Specialized / only one product line	(1) Small-scale specialized strategy	(2) Large-scale specialized strategy
	Diversified / two or more product lines	(3) Small-scale diversified strategy	(4) Large-scale diversified strategy

Table 17 lists the types of product strategies and objectives pursued. According to the surveyed managers⁶⁷ of wine-growing enterprises, a small-scale product line is defined as one with a capacity of up to 50,000 bottles per year, and a large-scale line has a capacity to produce up to 500,000 bottles per year. Specialized vineyards are those that produce only one product line, and diversified vineyards are those that produce more than two product lines.

Table 18 shows the markers and drivers of change in the wine enterprise. The drivers of change are the types of product strategies defined above, and as markers of change are used - market share, return on sales, return on equity, return on assets and competitiveness ratio, measuring the effects of the application of the selected product. strategy.

Table 18 Comparative analysis of product strategies in wine enterprises as drivers of change and the effects achieved by the application of productivity strategies as markers of change. Source: own.

Driver encoding	Type of product strategy(driver change)	Characteristic	Purpose	Performance indicators from the implementation of the product strategy(as change markers)
1	Small-scale specialization	The wine enterprise specializes in the production of one product line with limited capacity / less than 50,000 bottles /	A bigger price; Quality product; Exclusivity	Market share; Profitability of sales Return on equity; Return on assets; Coefficient of competitiveness
2	Wholesale - large-scale specialization	The wine-growing enterprise specializes in the production of one	Standardization; Economies of scale; Price leadership;	Market share; Profitability of sales Return on equity;

⁶⁶Borisov, P. (2015). Impact of product strategy on market share. The case of Bulgarian wineries. Changes and perspectives in the rural areas and in the agriculture of Bulgaria, Poland and other EU Member states. Sofia, pp. 179-187.

⁶⁷ Opinion of 131 managers managing wine companies, own study, 2018.

		product line with a large capacity / over 500,000 bottles /	The lowest price	Return on assets; Coefficient of competitiveness
3	Small-scale diversification	The wine enterprise specializes in the production of two or more product lines with limited capacity / up to 50,000 bottles for each /	A bigger price; Quality product; Exclusivity; Greater choice for consumers	Market share; Profitability of sales Return on equity; Return on assets; Coefficient of competitiveness
4	Large-scale diversification	The wine enterprise specializes in the production of two or more product lines with a large capacity / over 500,000 bottles for each /	Greater coverage of consumer preferences; Greater market share;	Market share; Profitability of sales Return on equity; Return on assets; Coefficient of competitiveness

Testing and identification of reference values of markers of change in wine enterprises

Once the drivers and change markers have been defined, the next step is to test the validity of these tools for suitability in performing analysis and diagnostics. For this purpose, each type of product strategy receives a quantitative assessment (code, see table ..). The next step is through the application of regression analysis to test the relationships between the selected type of product strategy (driver of change) and the markers of change - market share, return on sales, equity, assets and competitiveness. The following 5 correlations are set in the regression model for testing the relationship between driver and change markers:

- (1) Correlation between the number of produced product units and the market share;
- (2) Correlation between the number of produced product units and the profitability of sales;
- (3) Correlation between the number of produced product units and the return on equity;
- (4) Correlation between the number of product units produced and the return on assets;
- (5) Correlation between the number of product units produced and the coefficient of competitiveness.

The data included in the regression model were collected from 131 wine enterprises. The data obtained from these companies are divided into 4 groups according to the driver for change "type of product strategy". The first group includes data from enterprises that follow a small-scale specialized product strategy, the second group includes data from enterprises that follow a large-scale specialized product strategy, the third group includes data from enterprises that follow a small-scale diversified product strategy. and in the fourth group are data from enterprises that follow a large-scale diversified product strategy.

The results of the performed regression analyzes confirm the statistical reliability of the selected drivers and markers of change, ie. these tools are reliable in the analysis and diagnosis of wine companies. The next step in the implementation of the change management approach is to determine the reference values of the markers, through which the deviations will be measured and intervening decisions will be made by the managers of the wine enterprises.

The reference values of the markers for change in the wine-growing enterprise are determined using the following three statistical values in the studied 4 groups of wine-growing enterprises: - (1) minimum value of the marker; (2) maximum value of the marker and (3) coefficient of variation of the marker in the studied population (data group). The minimum and maximum value of the change marker are determined for each group of enterprises. For each group of wine undertakings, the coefficient of variation of the change marker is calculated. The reference values of the change markers are determined by the following formula:

- (1) For the lower limit of the value interval, multiplying the minimum value of the marker by the coefficient of variation;
- (2) For the upper limit of the value interval, multiplying the maximum value of the marker by the coefficient of variation.

The results obtained regarding the reference values of the change markers are given by groups of enterprises in Table 19.

Table 19 Reference values of markers for change in wine enterprises. Source: data collected from 131 wine companies, 2018.

Drivers of change	Reference values of change markers				
	Market share %	Profitability of sales%	Return on equity%	Return on assets%	Coefficient of competitiveness (in absolute value)
Small-scale specialization (applied by 35 companies)	from 1.3 to 1.8	from 30.00 to 45.00	from 15.00 to 30.00	from 5.00 to 10.00	from 2.00 to 6.00
Large-scale specialization (applied by 31 companies)	from 1.5 to 2.00	from 40.00 to 60.00	from 20.00 to 40.00	from 10.00 to 15.00	from 4.00 to 10.00
Small-scale diversification (applied by 32 companies)	from 1.4 to 1.8	from 30.00 to 50.00	from 15.00 to 45.00	from 10.00 to 15.00	from 5.00 to 10.00
Large-scale diversification (applied by 33 companies)	from 2.00 to 10.00	from 60.00 to 120.00	from 45.00 to 60.00	From 15.00 to 30.00	from 10.00 to 15.00

Wine-growing enterprises whose markers have higher or lower values than the indicated reference values fall into the so-called bifurcation phase (phase of determination for change), ie. managers need to initiate and manage change.

Defining a model for analysis and change management. Once the stages of determination of the vineyard for change, as well as the diagnostic tools, have been identified, the determinants of change can be easily analyzed in order to effectively manage change and suppress resistance by staff. The proposed model for diagnosing the determinants below is based on the idea that change is an internal factor that managers can control and use, depending on the mode of proactivity to the environment is the wine company.

The proposed model analyzes the following factors that determine the need for change - staff motivation; the moral norms of the work teams; leadership style; resource scarcity; the effectiveness of communications; the relations and the type of the organizational-managerial structure; group dynamics; the staff incentive system; the system for control and registration of deviations.

The results of the conducted internal analysis for identification of the determinants of change are used as a basis for the development *of a traffic management strategy*. This strategy contains the following elements:

- Determinants of change;
- Potential for undertaking and managing change;
- Strategic opportunities for change.

The proposed analytical model identifies the determining factors, which are used later in the strategy of change management in wine companies. The potential for undertaking and managing change, as well as identifying strategic opportunities for change, are identified using a tool called a 'map of strategic change management decisions'.

Once the determinants of change have been identified, the management of the wine enterprise needs to formulate the potential for undertaking and managing change, as well as the strategic decisions for implementing change.

The results of the analysis of change - determinants, potential, opportunities and threats are filled in a map of strategic decisions for change management. It is used to emphasize the ways (alternatives) to manage change in the wine enterprise in order to achieve sustainable competitiveness.

Through the application of the expert evaluation method, the most significant strategic decisions in the matrix are ranked. The role of experts in evaluating the strategic decisions for change management in the wine enterprise is played by the managers themselves, who will initiate and manage the change. The expert assessment organized in this way aims to determine the most significant potentials of the enterprise for successful initiation and management of change. The organization of the peer review itself includes the following: instructing the experts (managers / change management specialists) on how to express their expert opinion; selection and application of an assessment scale; explaining the essence of the strategic map and performing the expert assessment by the respondents.

Each expert independently fills in the specially created strategic map of the change (see Fig. 14). In this map, the respondent assesses the interaction of potential and determinants in relation to the proposed change management solutions. The expert uses a 4-point rating scale, which contains the following assessments: 0 - no interaction, 1 - weak interaction, 2 - strong interaction and 3 - very strong interaction between the studied factors.

Map of strategic decisions for change		OPPORTUNITIES (SOLUTIONS)				
		Concluding a strategic alliance along the value chain	Training of staff to restructure their competencies	Entering new markets	Reorientation of the business model	Sum of grades in the rows
CAPACITY OF THE CHANGE MANAGEMENT ORGANIZATION	Working control standards	66	33	71	89	259
	Accumulated surplus of financial resources	45	52	59	55	211
	Low resistance to change by company associates	88	88	34	33	243
	Emergence of a strategic partner in the value chain who wants to cooperate in creating value	101	44	76	53	274
	Accumulated experience in change management by management	151	121	109	99	480
DETERMINANTS OF CHANGE	Decreased team motivation	81	84	94	77	336
	High levels of opportunism and "low" morale among workers	67	35	77	81	260
	Low trust between managers and their associates	81	87	59	107	334
	Presence of conflicts leading to dysfunctional consequences on the work of the staff	97	48	82	87	314
	Sum of grades in the columns	843	592	661	681	

Figure 14 Example map of the strategic decisions for change management in the wine enterprise. Own interpretation. Summary assessment of 33 respondents testing the suitability of the card⁶⁸.

Two types of interactions between the factors in the matrix are studied as follows: (1) interaction between the potential of the wine enterprise and the identified opportunities (solutions). This connection of research seeks an answer to the question: to what extent the identified potential can be used to implement the planned solutions

⁶⁸ The results of the expert evaluation are illustrative and aim to clarify the way of interpreting the map of strategic decisions.

for change in the development of the wine enterprise; (2) interaction between the determinants of change and the decisions for change management in the wine enterprise.

The next step in strategy for change management is to summarize the results of the peer review. The individually completed matrices (maps of strategic decisions) by each respondent are aggregated into one generalized super-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 establishes the most important decisions for initiating and managing change in wine companies. The higher the amount for the decision, 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 potentials (for change management) and determinants (of change) that can be used to initiate and manage change in the wine enterprise. The higher the amount for the respective potential or determinant, the more significant they are, according to experts. By compiling the super-matrix, two useful effects are achieved - (1) the direction of the future development of the enterprise is determined and (2) a set of alternative strategies for change management in the wine enterprise is outlined. Factors that are defined as determinants of change are perceived as obstacles and their removal is the task of the management that will initiate and manage change.

Figure 14 shows the results of testing the map of strategic decisions. 33 respondents took part in the testing, who evaluated the results of simulation of conditions, causing initiation of change in the wine enterprise.

According to the simulation results in the virtual wine enterprise, the main determinant of change in the organization is determined - "low trust between managers and their associates" (the sum of the respondents' assessments in the order is the highest - 334 points). The next most important determinant of change is the "decline in motivation" - the determinant is rated with 336 points.

In the field of the map "potential for change management" the following factors stand out that can be used are effective change management in the wine company - (1) "emergence of a strategic partner in the value chain" - the factor is estimated at 274 points from the respondents and (2) the "accumulated experience in change management" in the wine enterprise - estimated at 480 points.

As a result of the vertical analysis of the strategic map (analysis in terms of the planned opportunities for change management) the decisions that the managers can implement in order to initiate and manage the change in the wine enterprise are determined. The results of the vertical analysis show that two options stand out as the most attractive for change management, namely: (1) "the conclusion of a strategic alliance in the value chain" - rated with 843 points and (2) "business reorientation" model - rated with 681 points.

Respondents estimated that the potential of the wine enterprise prevails as a change management element (the sum in this quadrant of the assessments is 1467 points) over the determinants of change (the quadrant of "determinants of change" is assessed with 1244 points). This summary expert assessment shows that the virtual enterprise has significant potential to initiate and manage change. The main obstacles that will hinder change and its effective management are: (1) "the presence of conflicts leading to dysfunctional consequences in the company" - 97 points and (2) "low trust between managers and company employees" - 107 points. Given the obstacles, managers can formulate goals and strategies to overcome them.

Model of financial-innovation system for increasing the competitiveness of the sector

Increasing the competitiveness of the wine sector requires creating conditions for promoting and developing the innovative activity of micro, small and medium-sized enterprises, allowing for preferential financing of this activity. Another important element is the promotion and development of a strategic approach to managing the competitiveness of wine enterprises. Combining these two principles in solving the problem is a leading factor in the presentation of the financial system in this part of the dissertation.

The description of the proposed model includes the identification of the main elements of this system, the interaction between them, as well as the effects of this interaction. The aim of the financial innovation system is to increase the competitiveness of micro and small enterprises in the sector by encouraging their innovation and providing conditions for imposing a strategic approach to management.

The proposed financial system consists of 6 building blocks, the subordination of which is shown in Figure 15. The basic structure of the financial system is organized in solidarity, combining the individual (enterprise) interest with the general (of all enterprises participating in the system) interest.

1. Mutual assistance financial fund. The main component (core) of the proposed financial system is the Mutual Financial Assistance Fund (MFF). The main functions of the FFV are to (1) promote the innovative activity of wine enterprises by allocating financial resources for it at preferential levels and (2) to carry out strategic planning activities to increase the competitiveness of enterprises. The main sources of funds to replenish the FFV are:

- Preferential government securities;
- Share capital;
- Foreign investment;
- Deductions from the profit of the Insurance Fund;
- Deductions from the profit of the Innovation Extraordinary Fund;

The financial fund is managed by a financial council, which nominates a chairman. The Financial Council (FS) is elected by the General Assembly. In the General Assembly, all wine-growing enterprises that meet the criteria - 1) to be micro, small and medium enterprises and which 2) have met the criteria for joining FFV are members voluntarily. The Financial Board is responsible for the strategic development of the fund, observing the mission, namely "Increasing the corporate competitiveness of micro and small enterprises in the sector, encouraging their innovation and providing conditions for imposing a strategic approach in their management."

The Finance Council is also responsible for strategic goal setting, defining the strategic goals and types of FFV development strategies. Attached to the Finance Council is an Advisory Board, whose function is to collect and provide information needed for the purposes of the strategic management performed by the FS and to offer tactics and advice for the implementation of the FFV development strategy.

The main financial outflows from the FFS are directed to the Innovation Venture Fund (IMF) and the credit cooperative (CC). These are structures that distribute the financial resources among the wine enterprises.

2. Innovation Extraordinary Fund. The main function of the IMF is to encourage and increase the innovative activity of wine companies. Through FFV funding, the fund provides targeted funding for innovative projects developed by wine companies. The financing is provided by the enterprises in three ways:

- (1) by mortgaging the assets of the enterprise;
- (2) by providing deductions from the profits of the new product or service;
- (3) by providing a share of the newly established innovative enterprise.

The Innovation Venture Fund is managed by a board of directors, which is appointed by the Chairman of the Financial Board of the FFV. The IMF is responsible for the evaluation and financing of new projects, as well as for the control of their implementation. Venture funds are defined as financial structures that concentrate high levels of risk, therefore it is necessary to offer a risk management lever in the proposed financial system. The Insurance Guarantee Fund (IGF) is defined as such an instrument in the proposed system.

3. Credit cooperative. The main purpose of this element of the proposed financial innovation system is to lend to wine companies under preferential terms. In the credit cooperative the principle of the cooperative "one member - one vote, regardless of the share participation" is observed. The credit collateral on the part of the enterprises is guaranteed by a mortgage of assets. The formation of a credit union requires a bottom-up approach. The credit cooperative is managed by a Credit Council, which is elected by the General Assembly of the cooperative (the member wine enterprises). The Credit Council elects a chairman to implement the adopted decisions of the Board.

The main sources of replenishment of the financial capital of the cooperative, which will be distributed in the form of low-interest loans to wine companies are: (1) the funds received from the FFV, and (2) the cooperative shares that the companies deposit in cooperative. Each enterprise has the right to receive dividends in the amount proportional to the cooperative share in the formation of profit from the activity of the credit cooperative.

4. Insurance guarantee fund. The main function of this element of the proposed financial system is to manage the financial risk, which is concentrated in the various system elements. The existence of a venture capital fund, as well as a credit cooperative in the proposed financial innovation system, determines the need to create such a fund. The FGF is managed by a manager, who is appointed by the FFV Chairman. The main sources for replenishing the fund are:

- the insurance fees that the enterprises, members of the credit cooperative;
- the insurance fees paid by the enterprises implementing projects, financing from the IMF.

A part of the accumulated financial capital (10%) in the FFV is used to form a Guarantee Fund. This fund is made available for use for the FGG and is used in the management of the financial risk generated by the operation of the proposed financial system.

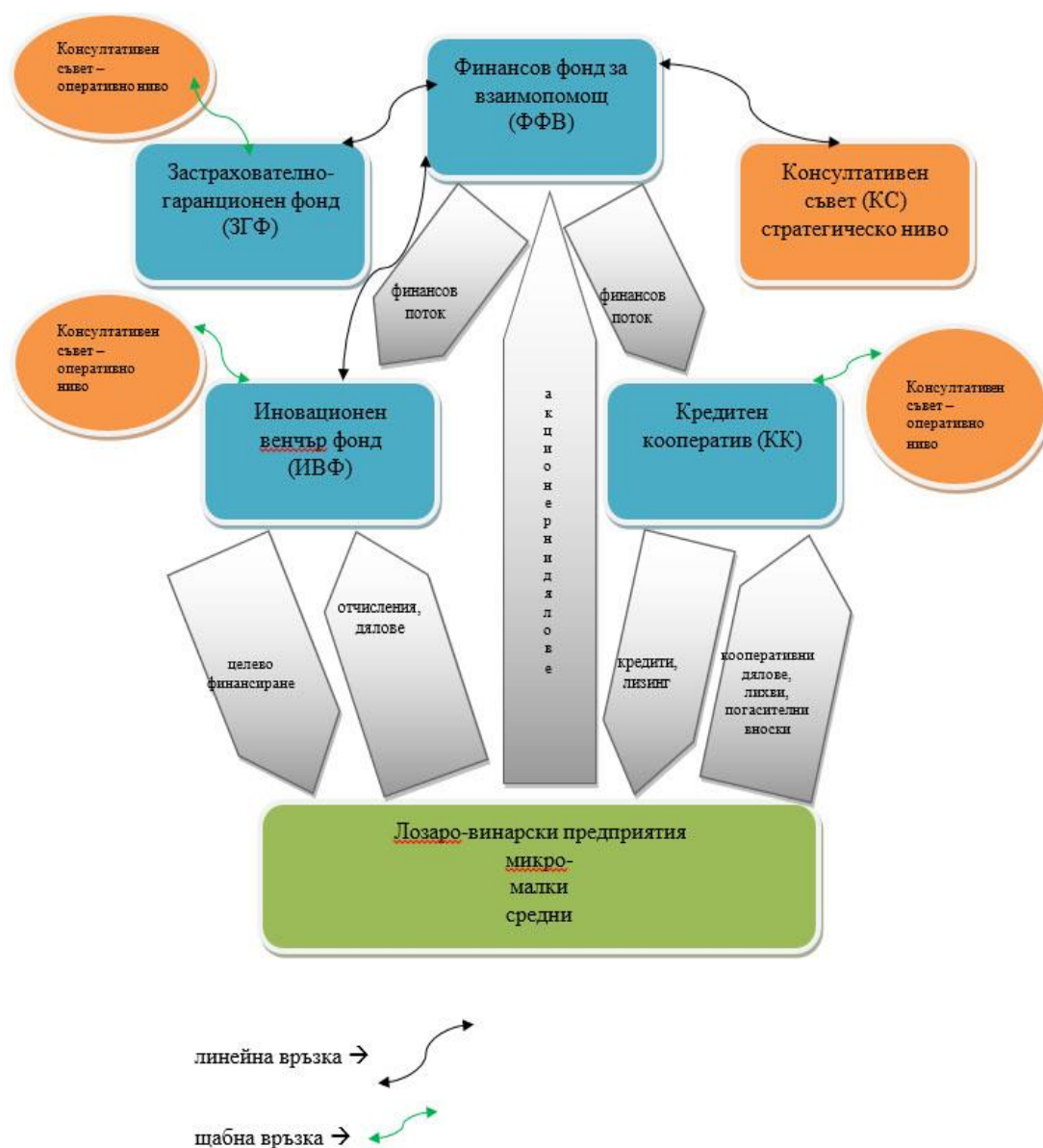


Figure 15 Financial-innovation system for increasing the competitiveness of the wine sector. The model is based on Nikolov's approach (2007)⁶⁹

5. Advisory Board. (CS) This structure aims to collect information needed for the management of all units in the financial innovation system, as well as to monitor it. The Advisory Board is composed of experts who consult the chairman of the FFV, the credit council of the cooperative, the management board of the IMF, as well as the manager of the PGF. The Advisory Board is organized on two levels - strategic and operational level. The strategic level is subordinated to the FFV Chairman and has the main task of providing advice and tactics for the development of the FFV in the future. The operational level is independent in terms of the elements in the financial-innovation system, being only subordinated to the Strategic level. The purpose of the operational level is to provide information, advice, strategies and tactics in service of the Strategic level, as well as the individual funds in the system.

⁶⁹ D. Nikolov "Development of the microfinance system", IAI, Sofia, 2007

6. The wine-growing enterprises. This is the last element of the proposed financial innovation system. Businesses are the main consumers of financial resources they need for their innovation in the sector. The main financial flows that come out of the companies are the shareholder shares, which they pay when forming the FFV, the cooperative shares when joining the credit cooperative, as well as the insurance fees due to the PGI. The main benefits that companies receive in return are: low-interest loans (especially needed for the formation of working capital); dividends from the credit union; risk sharing in managing your innovation projects; information and prescriptions for increasing the financial capacity and innovation activity, as well as the opportunity to make decisions at all levels in the management of the proposed financial system.

Conclusion

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

Strategic planning at the macro level. The sustainability of the competitiveness of the wine 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 low 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 a complex process. It is necessary to carefully take into account the market requirements and based on them planning 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, expectation, etc. change. This determines higher inertia of the industry in case 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 found, caused by a new change in the demand from the consumers of grapes and wine. Therefore, the main emphasis is on the choice of varietal structure,

The main ways to achieve sustainable competitiveness in the sector are:

- Consolidation of vineyards, which will allow the introduction of production technologies to minimize economic costs in viticulture;
- Improving the age structure of the vineyards and conversion of the varietal composition, subject to the requirements of the market;
- Diversification of production. Wider diversification of the sector's output, all other things being equal, would increase its competitiveness in a market surplus.
- Introduction and use of a cluster approach to achieve, develop and manage the competitiveness of the wine sector.

Consolidation of vineyards. New countries on the world market are achieving better economic results in the production and trade of wines. Chile, Argentina, New Zealand and South Africa have carried out this market invasion, following the strategy of price leadership. It is realized by building large-scale vineyards with market-oriented varietal composition, consistent with the production capacity of nearby wineries. Thus, these countries have benefited and continue to reap the benefits of large-scale production, which has a higher potential for competitiveness in the current market situation, dominated by consumers without much knowledge about the quality of wine, driven by the factor "Price" when forming your purchase choice.

Of course, the direct use of the experience of these countries in Bulgaria cannot be realized. This is because our country, like other European countries, traditional wine producers, under the influence of consumer choice of the European wine consumer, fragmented the vineyards and relied primarily on small-scale production of wines and wine-cognac materials, defined as boutique, with high quality and proposed prestige for the consumer, connoisseur of "good" wines. Five years ago, every wine grower in France and Italy claimed that the

grapes he produced had unique characteristics due to the specific microclimate prevailing on his farm and therefore required a higher purchase price. The wine-growing enterprises in our country have fragmented vineyards, due to inadequate market business strategies. The local companies are wandering in the choice whether to bet on the local high quality wines (Shiroka Melnishka Loza, Rubin, Mavrud, Gamza, etc.), which to offer to the tourists visiting the Bulgarian tourist sites or to bet on the internationally popular wines, Merlot, Cabernet Sauvignon, Syrah, etc.), which are recognized as high quality on the world wine market. Regardless of the reasons for the fragmentation of the vineyards on the old continent, today most of the countries (including Bulgaria) are losing market position on the international market, despite the solid financial support from European funds. There is a need to respond to the approach of the 'new wine producers' dominating the world market, moving towards increasing the concentration of wine production. At this stage, the increase of the concentration of the wine sector in our country can be done in several ways - through market mechanisms to achieve consolidation of vineyards or vineyards to cooperate in wine production cooperatives. The first option, which is more realistic, will be followed by mass bankruptcies and outflow of labor and entrepreneurial resources from the industry, which will lead to the consolidation of vineyards in a smaller part of the farms. This process, for which there is evidence that it is currently underway (for 10 years the vineyards increase their size by 0.4 ha) is too slow and will take decades. In the second option - consolidation, through cooperation of farms, their owners will be able to take advantage of large-scale production. Cooperation will reduce economic costs in the industry and increase its competitiveness. Cooperation and consolidation will lead to increased specialization, intensification and concentration of grape production, increase innovation and investment activity in the sector.

Improving the varietal and age structure of the vineyards. Consolidation, whether through cooperation or through the operation of market mechanisms, will be a prerequisite for accelerating the process of conversion of varietal composition in line with market requirements. This is determined by the fact that business organizations seeking to own larger vineyards will want to build processing facilities and thus achieve higher added value from the activity. Such production units, other things being equal, would more easily attract capital to the industry needed to renew vineyards.

Diversification of production. Wine production is a major sector of the sector. For Bulgaria, the production of grapes, grape juice and raisins is not traditional, although the country has the necessary soil and climatic conditions. According to the International Organization of Vine And Wine (OIV), there is a chronic shortage in the grape juice and raisin market. The demand for grape juice exceeds the supply by 15%, and this deficit is most noticeable on the German market. The production of raisins and table grapes is also insufficient and cannot meet the demand. In this market situation, Bulgaria can take advantage and develop as another major industry the production of grapes for various consumer destinations. Of course, in orienting the country to these markets, it will face competition from other countries that are leaders in production and exports such as Italy, Turkey and Iran. The production and trade in grape products requires additional investments for the construction of warehouses and logistics centers to ensure the good quality of the products offered - table grapes, grape juice and raisins. Investing in this direction of development of the sector will enable it to operate in markets where there are no accumulated surpluses, such as the wine market. In this way, the country can minimize the market risk of the sector and take full advantage of its comparative and competitive advantages. will enable it to operate in markets where there are no accumulated surpluses, such as the wine market. In this way, the country can minimize the market risk from the activity of the sector and take full advantage of its comparative and competitive advantages. will enable it to operate in markets where there are no accumulated surpluses, such as the wine market. In this way, the country can minimize the market risk of the sector's activities and take full advantage of its comparative and competitive advantages.

Cluster approach. By applying the cluster approach to sector regulation, the above processes can be accelerated. At the present stage, the wine cluster is not sustainable and highly dependent on the relationships of its participants. To establish the competitive advantages of the cluster in the future it is necessary:

- The state should encourage the technological transfer from the research and development organizations to the other participants in the cluster. As a result, its innovation will increase. Innovation is one of the main sources of competitive advantage for clusters operating in a highly competitive market;
- The creation of strategic alliances between R&D organizations and other participants in the cluster. This will increase the efficiency of the application of innovations in the wine cluster;

- The vineyards should cooperate or form their own cluster organization, protecting their interests in the development of the cluster. They bear most of the risk of the climatic conditions in which the cluster operates;
- Building a shorter chain of values in winemaking. Due to the strong monopolistic influence of the trade intermediaries between the vineyards and the wine enterprises, the two units of the chain do not have adequate specialization, corresponding to the market requirements;
- Strengthening intersectoral links. This will be achieved by increasing the number of participants in the cluster who integrate viticulture with wine production. They will be the core of the cluster in the future;
- Formation of a financial-innovation fund that will give equal access to micro, small and medium enterprises to finance, innovation and marketing. It should be noted that in order to achieve the above opportunities, the main role will be played by the entrepreneurs in the cluster. This requires the state to pursue an adequate policy to stimulate the entrepreneurial factor for the development of the wine cluster. In this way, the cluster will establish itself as a major factor contributing to the development of the regions in whose territory it is located.

Strategic planning at the micro level. In the course of the dissertation research the research thesis was proved that the strategic planning is a working (reliable) approach, which guarantees the achievement and development of the competitiveness of the wine enterprises. The strategic management of the process of concentration of capital in wine enterprises, the choice of organizational form, as well as access to innovation and finance, determine the level of competitiveness of wine enterprises. Large companies, which are joint stock companies, achieve market dominance, taking advantage of large capital. They have already established a monopoly influence on part of the market and are seizing the consumer surplus. Naturally, this status quo will be destroyed over time as the market imposes more and more new requirements, which enable small players to achieve competitive advantages. The concentration of capital goes hand in hand with strategic business management. It can be seen that joint stock companies that carry out capital-intensive activities use a strategic approach to manage their competitiveness. Among the managers of these enterprises there is an increasing understanding that the concentration of capital requires the use of a strategic approach to its management. Making greater commitments to the owners of this capital requires managers to look for ways to increase the competitiveness of the company by increasing the profitability and return on capital invested in this company. In other words, competitiveness is determined by the financial framework,

In the context of information globalization, consumers are rapidly increasing their awareness of price dynamics. Consumers' sensitivity to the price of wine is increasing. This opportunity can be exploited by micro and small enterprises by attracting additional capital and investing it in longer product lines that are adequate to market requirements, these economic structures can increase their competitiveness. Small businesses can also benefit from the capital consolidation approach followed by large ones in the sector. This can be done by collaborating on the process of concentrating capital and sharing innovation costs in order to bring new products to market. The proposed financial innovation system aims to assist micro and small enterprises in the sector in implementing this cooperation. The proposed model of financial-innovation system does not seek full cooperation of small enterprises, but sharing the financial risk of launching new products on the market. Innovation seeks to increase market power by attracting more and more new customers.

In the course of the research it was proved that there is a tangible intercompany indebtedness in the sector. Solving this problem is a difficult task, as there are not enough specialists in the sector to manage this process. By improving working conditions and training the available financial staff, guidelines can be sought to improve the solvency of wine companies. By attracting more financial capital, micro and small enterprises can form a strategic unit to implement strategic planning activities, an important factor in managing company competitiveness. All these challenges require managers to initiate and manage change in enterprises in a way that ensures higher levels of competitiveness.

III. Publications related to the topic of the dissertation

1. **Борисов, П.** Influence of production technology on the competitiveness of vineyards. Mr. "Economics and Management of Agriculture", Sofia, 2010, no. 3, pp. 28-42.
2. **Борисов, П.** State of the competitiveness of the wine sector - guidelines and opportunities for its improvement. Mr. "Economics and Management of Agriculture", Sofia, no. 5/2011, pp. 66 - 77.

3. **Борисов, П.**, Т. Radev. Regional analysis of the specialization of viticulture in Bulgaria. Mr. Economics and Management of Agriculture ", Sofia, no. 2/2011, pp. 31 - 39.
4. **Борисов, П.**, Т. Radev. Analysis and assessment of the factors determining the economic profitability of wine enterprises in southern Bulgaria. Mr. Agrarian Sciences, Plovdiv, issue 9/2012, pp. 49 - 52.
5. **Борисов, П.**, Т. Radev. Investment standards in viticulture. Beloprint Publishing House, Pazardzhik, 2012, p. 120.
6. Radev, T., P. Borisov. Influence of the CAP on the production structure of viticulture in Bulgaria. Mr. Agrarian Sciences, Plovdiv, issue 9/2012, pp. 27 - 33.
7. **Борисов, П.**, Т. Radev. Analysis of some factors determining the market power of wine enterprises from southern Bulgaria. Mr. Economics and Management of Agriculture, Sofia, issue 1/2012 pp. 30 - 36.
8. Nikolov, D., T. Radev, P. Borisov. (2013). Landscape as a driver for competitiveness of Pazarjik district in Bulgaria. 2nd AIEAA Conference - Between Crisis and Development: which Role for the Bio-Economy Parma, 6-7 June 2013
9. **Борисов, П.**.(2013). Investments in green innovations in the wine production sector and achieved secondary effects. Scientific works of the Agricultural University - Plovdiv, Volume LVII, pp. 159-165.
10. **Борисов, П.**, Т. Radev (2013). Analysis of the competitive determining factors in the wine enterprises. Scientific works of the Agricultural University - Plovdiv, Volume LVII, pp. 145-150.
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13. **Борисов, П.**, Т. Radev, D. Dimitrova (2014). Comparative advantages of EU Member States in Trade with Wine. Economics and Management of Agriculture, no. 4/2014, Sofia, pp. 59-65.
14. **Борисов, П.**, Т. Radev, V. Koprivlenski (2014). Investment activity of vineyards and its secondary effects in the conditions of the CAP (following the example of Lyubimets municipality). Mr. Agricultural Sciences, Plovdiv, 2014
15. **Борисов, П.**, Т. Radev, D. Nikolov. (2014) Influence of the landscape in the process of creating competitive wine tourism. Mr. "Economics and Management of Agriculture", Sofia, 2014, no. 3, pp. 51 - 56.
16. **Борисов, П.** (2015). Impact of product strategy on market share. The case of Bulgarian wineries. Changes and perspectives in the rural areas and in the agriculture of Bulgaria, Poland and other EU Member states. Sofia, pp. 179-187.
17. **Борисов, П.**, Т. Radev, D. Nikolov (2019). Young Farmers and New Entrants in Bulgarian Agriculture - Profiling their Challenges and Needs. Economics and Management of Agriculture, Sofia, issue 2/2019 pp. 60-71.
18. **Борисов, П.**, Т. Radev (2020). Profiling the drivers of market power of wineries. The case of Southern Bulgaria. Journal of Bio-Based Marketing, vol.2, 2020, 21-29.
19. **Борисов, П.**, Т. Radev (2020). Drivers of the economic performance of Bulgarian wineries. Assessment based on Dupont analysis. Journal of Bio-Based Marketing, vol.2, 2020, 60-65
20. **Борисов, П.**, А. Behluli (2020). Strategic orientation of business organization - step by step. Journal of Bio-Based Marketing, vol.2, 2020, 5-20

IV. Contributions to the dissertation

The dissertation highlights the following contributions of scientific and applied nature:

A. Scientific contributions:

1. The essence of strategic planning as an approach to managing the competitiveness of the wine sector has been clarified;
2. The essence of the socio-economic category "competitiveness" of the wine enterprise is clarified;
3. A conceptual framework for diagnosis and assessment of the main factors determining the competitiveness of the wine sector - at micro and macro level - has been developed and validated.

C. Practical contributions:

1. The competitiveness of the wine sector in the country has been diagnosed and assessed;

2. The influence of the main factors determining the level of competitiveness of the wine enterprises has been established;
3. The application of the strategic approach in the management of the competitiveness of the wine enterprises in the sector is analyzed and evaluated;
4. The needs of the wine-growing enterprises have been identified, regarding their competitive development in strategic terms;
5. An approach for analysis and management of the change is proposed in order to achieve a higher level of competitiveness of the wine enterprises;
6. A model of financial-innovation system for increasing the competitiveness of the wine sector is proposed.