

Forming the Strategies for Enhancing the Effectiveness of Rural Entrepreneurial Organizations in Russia*



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Abstract. Political, economic and social events of recent years, taking place in all of the countries, when economic institutions and systems are destroyed in a short time under the influence of negative external factors, indicate the need to create resilient socio-economic territorial systems. This problem is essential to rural areas that are most vulnerable to negative external impacts, which confirms the relevance of finding ways and directions to ensure their sustainable development. Our previous research has shown that the formation of an entrepreneurial ecosystem of rural areas, substantiating the institutions of their development, can ensure sustainability of socio-economic development of rural areas and increase their resilience. The article proposes a model for building strategies for the development of entrepreneurial organizations within the entrepreneurial ecosystem, aimed at ensuring sustainable socio-economic development of rural areas and increasing the competitive environment of the ecosystem. The purpose of the article is to develop a factor model for building entrepreneurial strategies of entrepreneurial organizations that adequately meet the role of the rural entrepreneurial ecosystem in the current conditions of development of Russian rural areas. The strategic development concept is usually applied in the analysis of large corporate organizations. It is believed that small businesses, exposed to external factors, must use adaptive tactics and cannot formulate and implement a strategy for their development. Based on the analysis of scientific literature and the results of a survey of entrepreneurs on the example of the

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Sverdlovsk Oblast of the Russian Federation, we found that rural entrepreneurs seek to determine strategic directions of their development. The article presents approaches to the disclosure of relevant factors that determine the model for choosing a development strategy for rural entrepreneurial organizations. The information base of the study includes research works of Russian and foreign scientists on the topic under consideration, as well as the results of a thematic survey. The scientific novelty of the work lies in the fact that for the first time an attempt has been made to build a factor model for strategic development of rural entrepreneurs within the concept of entrepreneurial ecosystem of rural areas.

Key words: rural entrepreneurship, entrepreneurial ecosystem, entrepreneurial organizations, strategy, factor model, rural areas, ecosystem resilience.

Introduction

Entrepreneurs aim to make a profit by taking advantage of the opportunities open to them. This is stated not only in scholarly articles on entrepreneurs, but also in legislation. Developing this idea, we argue that entrepreneurship, as a way of commercial thinking, has the most effective impact on territorial development [1]. The fullest realization of commercial opportunities, innovative use of available resources determine the entrepreneurial approach to the development of commercial organization. Thus, it can be argued that entrepreneurial organizations determine the opportunities for sustainable economic development of territories [2]. One should also note that entrepreneurial organizations creating jobs bear an important social burden. It can be considered that entrepreneurship is at the core of the territorial socio-economic system, which is why an increasing number of researchers pay attention to the role of entrepreneurship in ensuring sustainable socio-economic growth of territories [3]. We believe that this role of entrepreneurship is important for rural areas, characterized, as a rule, by a limited number of jobs, which leads to higher than in urban conditions, unemployment and, accordingly, a more tense social situation. Russian [4] and foreign [5] researchers agree that the development of entrepreneurial organizations, especially small and family forms, can have a positive impact on the development of rural areas.

The problems of sustainable socio-economic development of rural areas require the search for a comprehensive solution. In recent years, a number of researchers [6], including us [1], have proposed the concept of rural entrepreneurial ecosystem as the basis for finding a solution to the problem of sustainable socio-economic development of rural areas. The advantage of the proposed concept is the possibility of combining a variety of factors within a single model and determining not only their mutual influence, but also their synergistic effect on the development of rural areas.

Rural entrepreneurial ecosystem is a multi-component socio-economic concept, that takes into account the functional interaction of individual factors, which allows identifying the factors not only directly affecting the strategic development of rural entrepreneurial organizations, but also those indirectly affecting the sustainability of rural socio-economic development and thus creating the foundation for sustainable territorial development.

The advantages of the concept of entrepreneurial ecosystem should also include the ability to analyze, in addition to the actors themselves or elements of the ecosystem, the institutions of their interaction, which makes it possible not only to determine the configuration of the ecosystem, but also to optimize the configuration for a particular rural area to improve the functionality of its socio-economic system [7].

Based on this postulate, we identified rural entrepreneurial organizations as actors in the rural entrepreneurial ecosystem and formulated the purpose of the proposed study: to develop a factor model for building strategies of entrepreneurial organizations that adequately meet the role of rural entrepreneurial ecosystem in modern conditions of development of Russian rural areas. The set goal predetermined the solution of the following tasks: theoretically substantiate the choice of factors determining the strategy building of rural entrepreneurs in the context of rural entrepreneurial ecosystem, develop a methodology to assess the significance of strategic choice factors, identify critical factors and offer a dichotomous model for building the development strategies of rural entrepreneurs.

Theoretical substantiation of the study

The reason for the degradation of the rural economy is its organization, which does not meet the modern requirements of socio-economic development. The only way out of this situation is a paradigm shift, instead of the costly paradigm of sectoral development, the paradigm of entrepreneurial development in its highest manifestation – the concept of entrepreneurial ecosystem should be actively implemented. Believing that the ecosystem approach is more suitable for the scientific study of rural entrepreneurial organizations, we came to the understanding that there is a need to build the concept of rural entrepreneurial ecosystem [1], so we should define a strategy for the development of entrepreneurial organizations in the development options of entrepreneurial ecosystem. We assume that two scenarios of ecosystem development can be proposed as a starting point for the analysis: inertial and intensive. Undoubtedly, the inertial development scenario will not be able to lead to the necessary results ensuring the sustainable development of rural areas. As an alternative to inertial development scenario, the option of

intensive, in this case innovation development, is aimed at improving the business climate through multifaceted measures to promote innovation activities of entrepreneurial organizations and, accordingly, it will serve as a basis for sustainable development of rural areas.

The proposed dichotomy of options for the development of entrepreneurial ecosystem is of a general nature, it lacks the detail, which will allow making a choice of one or another option of strategy of entrepreneurial organizations. We propose to adopt the following typology of options, based on the dichotomy described above, but more detailed and adapted to the problems of formation and development of entrepreneurial ecosystem [8]:

- 1) territorial competitiveness strategy focused on application of gradual innovations in the market;
- 2) achieving leadership strategy, aimed at creating a new market segment;
- 3) specialized development strategy, aimed at performing individual activities in the overall production chain to reduce costs and create cooperative relationships with related organizations that have market prospects;
- 4) catching-up development strategy, focused on the manufacturing of those products that have a high or potentially high demand in the market;
- 5) inertial development strategy, aimed at maintaining the current level of production;
- 6) opportunistic development strategy, focused on the manufacturing of specific products aimed at a limited demand.

In order to choose the right strategy for the development of entrepreneurial organizations, it is advisable to use the analysis of external and internal factors that have an impact on the development of the entrepreneurial ecosystem. At the same time, one should understand, as mentioned above, that for each territory the sequence of formation and development of the territorial entrepreneurial ecosystem is determined in a unique way and cannot be applied to another territory.

Such reasoning leads to the idea that it is impossible to work out a universal variant of strategic development of entrepreneurial organizations, acceptable for any rural entrepreneurial ecosystems, or any standard algorithm of analysis, which would allow coming to the desired results. The maximum possible detailing of the formulation and solution of entrepreneurial problems will consist only in the definition of the basic principles of the analytical approach.

It is necessary to define criteria for choosing a development option. The theoretical substantiation of the choice of criteria determining the construction of entrepreneurial strategies should be based on the concept of rural entrepreneurial ecosystem. We should note that this concept is becoming one of the key ones in the scientific analysis of rural entrepreneurship and socio-economic development processes in rural areas. We can point to a variety of approaches to the study of rural entrepreneurship, from considering the activities of individual entrepreneurial organizations to the study of the rural entrepreneurial system. For the purposes of our study, aimed at substantiating the choice of factors determining the development of entrepreneurial strategies, it is necessary to clarify this concept in order to more reasonably approach the selection of the criteria sought. The key position shared by almost all researchers is to determine the place of entrepreneurship in the territorial socio-economic system [9]. Entrepreneurial organizations are a necessary element of any socio-economic system, some researchers even consider entrepreneurship as the cornerstone that determines its type and nature [10]. We cannot but agree with this position, since it is entrepreneurs who generate new products, new ways of production and new markets. Despite the differences in approaches to the concept of entrepreneurial ecosystem, researchers agree on the understanding of its elemental structure. It is the elemental composition that allows defining it as an ecosystem, that is, a self-sufficient system with

endogenous development abilities and ensuring sustainable socio-economic development of rural areas by adapting the activities of ecosystem components to the influence of both exogenous and endogenous factors.

In previous works [1] we have defined the composition of actors or elements of rural entrepreneurial ecosystem. Continuing the study of individual elements, it is necessary to raise the question of the influencing factors on the development of the ecosystem, their significance in the context of the ecosystem. The first element, both in terms of list and importance, is entrepreneurs themselves. However, recognizing entrepreneurs as a basic element, we should identify their main influencing factors on the ecosystem. Our research has convincingly shown that the main factor of entrepreneurs' influence on ecosystem development, the main entrepreneurial competence that can have a positive impact both on the entrepreneurs themselves and on the rural area as a whole, is their innovativeness, or readiness and ability to recognize the marketing potential of innovations and successfully implement it. Recognizing innovation competencies critical to the formation and development of individual entrepreneurial organizations, one should remember that the ecosystem approach implies the mutual influence of all actors in the ecosystem, the synergistic effect of their joint actions, and therefore it is necessary to expand the area of entrepreneurial competencies to the element of public administration and municipal self-governance. The inability of the state to create conditions for the favorable development of innovation activities of entrepreneurial organizations will definitely lead to a standstill in the development of the entrepreneurial ecosystem.

Consideration of the innovation development factor requires the inclusion of the marketing development factor in the analysis. According to M. Porter's concept of innovation development [11],

innovations are based on commercialization, i.e. the innovator's ability to find a market for a new product, to make it competitive, more attractive in the eyes of a potential consumer than goods offered by other manufacturers. This reasoning leads us to the need to pay careful attention to the issue of researching the potential market for rural entrepreneurs and the inclusion of the potential market among the elements of the rural entrepreneurial ecosystem.

Analyzing the consumer market for rural entrepreneurs implies studying potential demand, which is necessary for successful activity of any entrepreneur. Without bringing up the issues of marketing research determining demand, we want to draw attention to the connection between innovation activities of entrepreneurs, creation of innovative products and potential demand. Understanding the consumer market as an element of the rural entrepreneurial ecosystem can lead to a narrowing of the study area. Assuming that different entrepreneurs will focus their activities on different segments of the consumer market, we will have to recognize that the union of all potential segments of the consumer market will coincide with the general consumer market, so we propose to take the population as a whole, rather than consumers, as an element of the rural entrepreneurial ecosystem. This sentence brings up the question of what kind of population should be included in the ecosystem. Assuming that the ecosystem is territorial in nature, it is appropriate to include the rural population, but on the other hand, as we noted above, we are interested in the consumer market of rural entrepreneurs, which requires the inclusion of the rural entrepreneurial ecosystem of the region population with sustainably sales of the rural entrepreneurial products.

Defining the population as one of the elements of the rural entrepreneurial ecosystem, we fix its role not only as consumers of the rural entrepreneurs' products, but also as a labor force for rural

entrepreneurs. Our earlier study of the factors that have a negative impact on the development of entrepreneurial organizations [12] revealed the problem of finding not only specialists with the necessary qualifications, but any employees who are socially ready to work in an entrepreneurial organization. As noted by a number of researchers, the problem of finding employees adapted to work in entrepreneurial structures is not considered inherent only in individual countries, it is a civilizational problem that requires a universal approach to its solution, with possible national adaptations [13].

Another problem that needs to be addressed when considering the population as an element of the entrepreneurial ecosystem is the identification of potential entrepreneurs.

There are many studies by Russian [14] and foreign authors [15] devoted to the problem of identifying entrepreneurial potential and the development of entrepreneurial competencies. Indeed, the very existence of entrepreneurial business (especially small business, and in rural areas it is the vast majority of entrepreneurs) is critical to the presence of entrepreneurial competencies in its organizers. We believe that, basically, there is no need to separate the analysis of the population as consumers, entrepreneurs, and employees. This is confirmed by the results of the works of other researchers who believe that the analysis of the population as an element of the rural entrepreneurial ecosystem should be based on the analysis of similar behavioral and mental characteristics.

We should admit that the "laissez-faire" principle is not considered by researchers to be a valid principle for building economic systems, so it would be appropriate to indicate the state and local self-government as an important element, one of the key actors in the rural entrepreneurial ecosystem. Assuming that the role of the state has already been sufficiently covered in a large number of works by Russian [16] and foreign [17] researchers, we want

to draw attention to the fact that the key goal of the rural entrepreneurial ecosystem is the sustainable socio-economic development of rural areas. Assuming that the main goal of the development of entrepreneurial organizations is to obtain economic benefits for entrepreneurs, we come to understand the need for a counterweight to entrepreneurs. The entrepreneurial ecosystem needs an actor who can create an institutional field that protects the interests of all participants in the ecosystem.

We should also note the possible presence of dichotomy within the element in question [18]. The interests of the state and the municipality will not necessarily coincide, they can be multidirectional, which is confirmed by a number of studies [19], so we must recognize that almost all elements of the rural entrepreneurial ecosystem are not homogeneous, they can and should be recognized as multi-atomic. This will require a more deliberate approach to the study of entrepreneurial strategies within the rural entrepreneurial ecosystem.

Discussing the individual elements that make up an entrepreneurial ecosystem requires a focus on its foundation on which the individual elements are not just based, but interact to fulfill the primary purpose of the rural entrepreneurial ecosystem. The foundation of the rural entrepreneurial ecosystem is its infrastructure. Infrastructure, just like the ecosystem itself, cannot be regarded as something whole and indivisible; it consists of several layers designed to ensure different types of interaction between ecosystem actors.

The first layer of infrastructure is the hard infrastructure, which provides not only the separate activity of individual elements, but also the physical interaction between actors. The physical interaction between actors is the most important type of interaction, since it leads the considered ecosystem to the required results – an increase in the standard of living of the rural population [20].

The second layer of infrastructure can be called intellectual. At this level, there is the internal

development of entrepreneurial organizations and the intellectual exchange of ideas between different actors, which creates conditions for the innovation development of entrepreneurship, which is, in our view, the only way for the effective development of the entrepreneurial ecosystem [21].

The third layer of infrastructure, to which more and more attention has been paid recently, is information. The development of information technology has led to the fact that information infrastructure is becoming increasingly important for business participants, even it has not become equal in importance to the physical infrastructure. [22].

Rural socio-economic systems are more vulnerable to negative external influences than urban ones. This is primarily due to the fact that rural systems are much lower in all of the indicators. In the framework of the socialist socio-economic system, there was a tendency to enlarge rural settlements, to divide rural settlements into “promising” and “non-promising” ones. The experience of the socio-economic experiment has shown that such a division, based on exogenous criteria in relation to the rural areas, leads to negative consequences for it. According to Russian scientists, the social mission of the rural area exceeds its economic importance. The purpose of the rural area is to preserve and develop national consciousness, and rural entrepreneurship, developing under the influence of mainly endogenous factors, is more effective in addressing the goal of sustainable rural development than specific programs of external influence¹. The findings of the scientists also allow concluding that rural entrepreneurial ecosystems should have specific characteristics determined by their territoriality.

¹ Pokrovskii N.B., Tatarkin A.I., Donnik I.M., Litovchenko V.G., Voronin B.A., Balabaikin V.F., Polbitsyn S.N. On what the Russian land will stand: Once again about the problems of the rural areas. *Personality and Culture*, 2016, no. 1, pp. 9–10.

Strategic planning for entrepreneurial organizations is a long-term, future-oriented, multi-step process that links the current state of the rural entrepreneurial ecosystem and the future state that planning should aim to achieve.

The choice of strategy for entrepreneurial organizations must be based on accurate and reliable information. Intuitive strategic decision-making, not supported by objective analysis of the processes taking place both in the entrepreneurial organization itself and in the rural entrepreneurial ecosystem, is fraught with long-term negative consequences for the entrepreneur.

In the form in which the options for strategies of entrepreneurial organizations were originally proposed, they cannot provide the required reliability of choice, because the description of the current state and prospects for entrepreneurial organizations had only a qualitative, descriptive nature. The choice mechanism of entrepreneurial organizations strategies should be based on quantitative methods. Of course, it is impossible to consider quantitative methods as the only criterion for strategy choice, but they should be at the base of the choice mechanism. Assuming that under conditions of high dependence of the optimal strategy choice mechanism on external hard-to-determine and hard-to-predict factors, the application of complex strategy choice mechanisms will not be reasonable, we believe that a simple and easily implemented mechanism based on indicative analysis will be the most effective and practical.

The analysis of numerous works of Russian and foreign researchers, as well as our results convincingly showed that methodologically it is advisable to choose the factors determining the strategy of rural entrepreneurs within the concept of rural entrepreneurial ecosystems. The ecosystem approach makes it possible to identify all the main critical factors determining the strategic development of entrepreneurial organizations.

Methodology

In order to identify the factors that critically influence the strategizing of entrepreneurial organizations within a rural entrepreneurial ecosystem, it is necessary to investigate the factors that influence not only the performance of the entrepreneur himself, but also the functionality of the rural entrepreneurial ecosystem as a whole. The classic set of factors determining the effectiveness of strategic choice is presented in the works of M. Porter – the so-called Porter's Diamond, or Porter's Five Forces [11]. According to his model, the process of defining an effective competitive strategy is influenced by five driving forces that determine the future effectiveness of corporate strategy. Each force in M. Porter's model represents a separate level of competitiveness of the enterprise in the analyzed market:

- bargaining power of customers;
- bargaining power of suppliers;
- threat of new entrants;
- threat of substitutes;
- competitive rivalry or competition in the industry.

Developing the basic statements of the competitive analysis, it is necessary to pay attention to additional factors which nevertheless have a significant influence on efficiency of enterprise strategy. Applying the analysis of competitiveness factors and the choice of strategies for the case of small entrepreneurial organizations, A. Davis and E. Olson [23] proposed to consider five groups, including 11 factors that determine the effectiveness of the strategy of small entrepreneurial organizations.

1. Suppliers:
 - 1) relationship to resources;
 - 2) investor expectations;
 - 3) shareholder/Investor risk tolerance;
 - 4) time horizon for results.
2. Customers/Markets:
 - 5) building on market strengths;

- 6) size of market.
- 3. Competition:
 - 7) visibility by (and of) competitors;
 - 8) portfolio management;
 - 9) triage.
- 4. Regulation:
 - 10) constraints.
- 5. Internal culture:
 - 11) process.

The proposed classification of factors makes it possible to determine the effectiveness of an individual entrepreneur's strategy. We set ourselves the task of identifying the effectiveness of entrepreneurial strategy in the territorial entrepreneurial ecosystem, so we consider it necessary to supplement the 11 named factors with the factors that determine the functionality of the ecosystem. As noted above, the foundation of the rural entrepreneurial ecosystem is its infrastructure, so we consider it appropriate to include the infrastructure of the ecosystem in the list of factors critical to efficiency.

Infrastructure:

- 12) Hard infrastructure;
- 13) Innovation infrastructure;
- 14) Information infrastructure.

In our opinion, the perception by A. Davis and E. Olson of market regulation as a factor imposing only restrictions on the activities of entrepreneurs is not quite correct. The position of the governments of the vast majority of countries in relation to entrepreneurs is extremely positive. The state perceives entrepreneurs not only as economic subjects, but also as social partners providing social development of territories. Based on this conclusion, we believe it is advisable to add a section on "entrepreneurship support".

Entrepreneurship support:

- 15) State support;
- 16) Municipal support;
- 17) Support of self-regulatory organizations.

Thus, the total list consists of 17 factors affecting entrepreneurial organizations. In the study of industry-specific, entrepreneurial ecosystems, this list can be supplemented by specific factors [24]. In the interest of our study, we consider the proposed list to be sufficient and adequate to meet the objectives of the work.

Results and discussion

An analytical study of the entrepreneurial sector in rural areas of the Russian Federation, which we conducted earlier using materials of the Federal State Statistics Service, allowed concluding that "rural entrepreneurs create a new consumer value with civilizational significance" [10]. It became the basis for the next stage, to which this article is devoted – the alignment of strategies of entrepreneurial organizations within the rural entrepreneurial ecosystem.

We applied the method of case study presented by K. Eisenhardt [25]. We built the case study on a descriptive analysis of rural entrepreneurial organizations of the Sverdlovsk Oblast (agricultural organizations, peasant (farm) enterprises and individual entrepreneurs, as well as households) using open data² and results obtained by other researchers [26]. The conditions for classifying organizations as small businesses are defined in Article 4 of Federal Law No. 209-FZ, dated July 24, 2007 "On the Development of Small and Medium Entrepreneurship in the Russian Federation". We conducted a telephone survey of rural entrepreneurs in order to identify attention to the critical factors that determine the effectiveness of an entrepreneurial strategy. The questionnaire was designed as a combination of a Likert scale [27], implying a five-level item: (1) strongly disagree; (2) disagree; (3) neither agree nor disagree; (4) agree; (5) strongly agree.

² Register of economic entities of the agroindustrial complex of the Sverdlovsk Oblast. *Ministry of Agriculture and Consumer Market of the Sverdlovsk Oblast*. Available at: <https://mcxso.midural.ru/article/show/id/1078>

For estimating the ratings of individual factors, the obtained results were examined as real numbers. Such a method was proposed by S. Harpe [28]. Initially, the normality of the distribution, confirmed by calculations, was checked. Then we checked for correlations between the individual strategic development factors, as well as with the results of the test questions on the presence of strategy and profits in the enterprise. The test showed the absence of correlation between the factors under consideration and the control questions, which should be perceived as the independence of respondents' perception of individual factors. The results of the one-sample mean comparison test are shown in *Table 1*: the calculated mean values, standard deviations (SD), standard errors, and 95% confidence interval are presented. The calculated values of the ranges allow asserting that the mean values of the factors obtained for the sample reliably reflect the mean values of the whole population of rural entrepreneurial organizations. This allows accepting the null hypotheses about the mean values of the factors. The *Figure* shows a graphical representation of the obtained mean values of each factor.

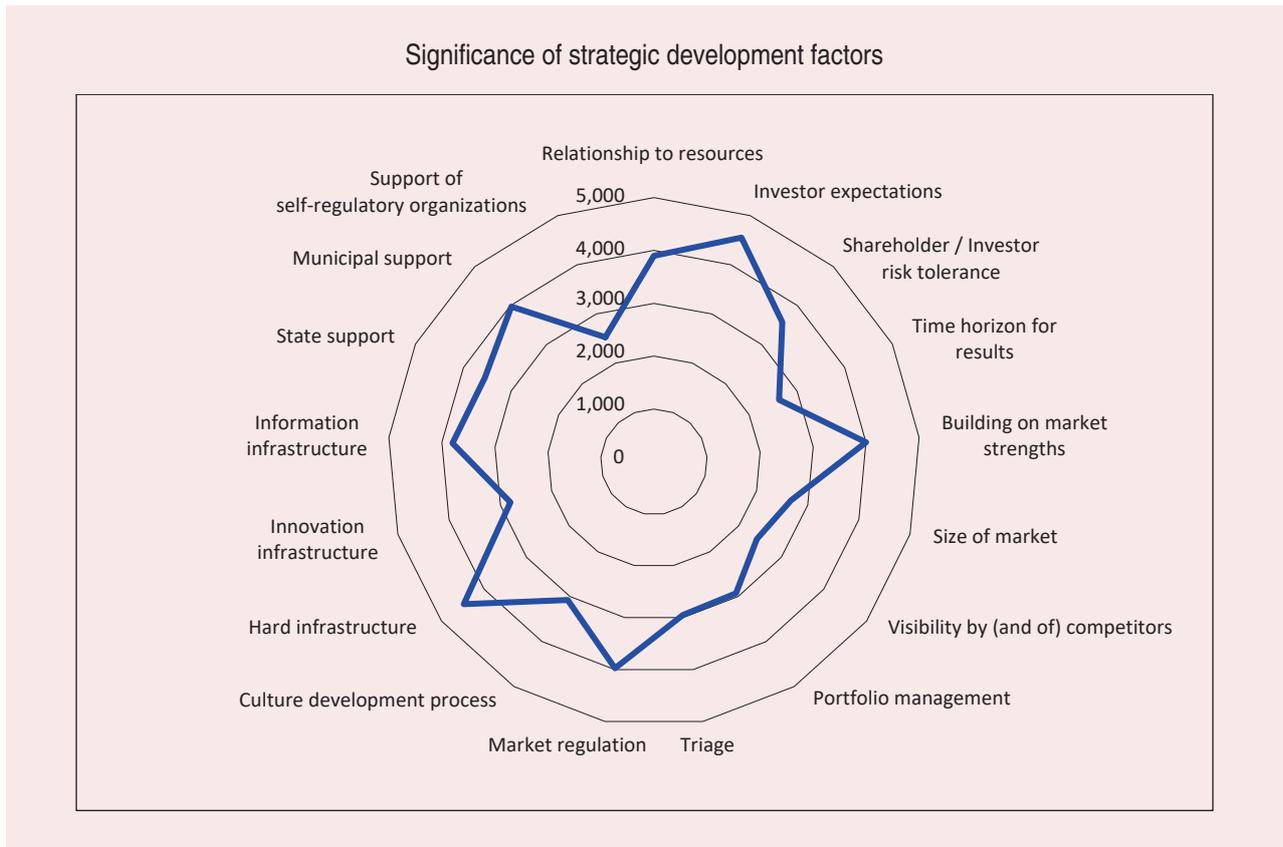
The results show different attitudes of rural entrepreneurs to the strategic development factors. It is possible to single out a group of factors that entrepreneurs pay the most attention to:

1. Investor expectations.
2. Hard infrastructure.
3. Building on market strength.
4. Market regulation.
5. Relationship to resources.
6. Municipal support.
7. Entrepreneurs pay the least attention to the following factors:
8. Size of market.
9. Visibility by (and of) competitors.
10. Portfolio management.
11. Triage.
12. Support of self-regulatory organizations.
13. Time horizon for results.

Given the results of the study, we can conclude that rural entrepreneurs pay attention primarily to the main, if we may say so, superficial, factors of strategic development. As can be seen from the above research results, inattention of entrepreneurs to most of the factors means only insufficient attention to the design of their development

Table 1. Analysis of strategic development factors

Factor	Mean value	SD	Standard error	95% confidence interval	
Relationship to resources	3.900	0.778	0.123	3.610	4.190
Investor expectations	4.550	0.597	0.094	4.327	4.773
Shareholder / Investor risk tolerance	3.575	0.636	0.101	3.338	3.812
Time horizon for results	2.625	0.628	0.099	2.391	2.859
Building on market strengths	4.000	0.506	0.080	3.811	4.189
Size of market	2.675	0.474	0.075	2.498	2.852
Visibility by (and of) competitors	2.425	0.501	0.079	2.238	2.612
Portfolio management	2.925	0.797	0.126	2.627	3.223
Triage	2.950	0.597	0.094	2.727	3.173
Market regulation	3.975	0.530	0.084	3.777	4.173
Culture development process	3.075	0.656	0.104	2.830	3.320
Hard infrastructure	4.475	0.506	0.080	4.286	4.664
Innovation infrastructure	2.800	0.608	0.096	2.573	3.027
Information infrastructure	3.800	0.687	0.109	3.544	4.056
State support	3.550	0.504	0.080	3.362	3.738
Municipal support	3.975	0.620	0.098	3.744	4.206
Support of self-regulatory organizations	2.525	0.554	0.088	2.318	2.732
Source: own compilation.					



strategies, the determination of appropriate ways of enterprise development. This is also confirmed by the responses received to the control questions about the presence of enterprise strategy and entrepreneurs' satisfaction with the efficiency of their enterprises. Due to the fact that the responses to the control questions were also obtained by the Likert scale, this gave respondents the opportunity not to answer dichotomously to the questions posed. As a result, the majority of respondents found it difficult to answer the question whether they have a development strategy elaborated at the enterprise, which is confirmed by the average value of the received answers – 3.6. The interviews demonstrated the most common position of entrepreneurs: “We have not developed a strategy, but we think strategically”.

Without considering an ordinary set of strategies, repeatedly described in a large number of scientific articles and educational materials [29], in development of the above arguments about

the options of strategies for entrepreneurial organizations, we focus on a dichotomous set of strategies: innovation development and sustainable development. The dichotomous division of strategies was studied in our previous works [30], so we considered it possible and appropriate to implement it in this study. The dichotomous separation is based on the choice of two opposing strategies. The opposing strategies are based on the different importance of the factors for their successful implementation. *Table 2* presents the significance of factors for the proposed dichotomous strategies. The importance of the factors was determined by the results of a survey of rural entrepreneurs.

As we can see, for successful implementation of innovation development strategy the importance of factors is higher than for the sustainable development strategy, which requires more entrepreneurial attention. Strategic choice for the entrepreneur is primarily in their readiness to pay due attention to the strategic development factors.

Table 2. Significance of strategic development factors

Factor	Sustainable development strategy	Innovation development strategy
Relationship to resources	significant	critical
Investor expectations	insignificant	critical
Shareholder / Investor risk tolerance	insignificant	critical
Time horizon for results	significant	critical
Building on market strengths	significant	critical
Size of market	significant	critical
Visibility be (and of) competitors	insignificant	critical
Portfolio management	insignificant	critical
Triage	insignificant	critical
Market regulation	insignificant	critical
Culture development process	significant	significant
Hard infrastructure	significant	significant
Innovation infrastructure	insignificant	critical
Information infrastructure	significant	critical
State support	significant	significant
Municipal support	significant	significant
Support of self-regulatory organizations	insignificant	significant
Source: own compilation.		

The sustainable development strategy is built on the desire of entrepreneurs to avoid economic risks and those types of activities or production, the final result of the implementation of which is extremely difficult to predict. The main goal of a sustainability strategy should be for rural entrepreneurs to maintain their sphere of activity or the sphere of their markets. The focus should be on existing markets, as these are the ones in which the required stability can currently be obtained.

For the successful implementation of this strategy, entrepreneurs must not have serious threats from the consumer, i.e. the consumer must be loyal or interested in the products of local businesses.

The essence of the sustainable development strategy is to improve the main type of business. This option is applicable when there is a need to protect the success already achieved, already won market segment from possible conflicts related to further development of the product and the desire of competitors to use the information obtained and repeat the success of the introduction of a new

product. The sustainable development strategy does not require a significant amount of additional financial resources.

Thus, the sustainable development strategy is not a breakthrough strategy of innovation development, it is designed to consolidate the success already achieved, to maintain stability.

The “antipode” of the sustainable development strategy – the innovation development strategy – should be formulated as a variant of the strategy aimed at the conquest of the largest possible market segment. This strategy is based on the development of a new market or expansion of an existing market. For its implementation, there must be a “breaking point” when the consumer begins to show serious interest in the new product due to the identification of significant shortcomings in the old product.

The innovation development strategy is designed for new markets or to expand the geography of sales. It is associated not only with winning or even creating a market, but also with the development of special relationships with suppliers, it implies a higher than usual profit, so suppliers should also

be interested in getting their share of profit and, accordingly, bear their share of responsibility and risk for achieving the goals set in the strategy.

Among the specific properties of entrepreneurial organizations necessary for the successful implementation of this strategy, we should note the mandatory focus on the market, rather than on production. It is the “sense of the market” rather than “technological advancement” that is the main factor for evaluating the prospects of a new idea and implementing it.

This strategy requires significant resources, so rural entrepreneurs who follow it must either have their own resources in sufficient quantities or attract outside investors interested in participating in high-yield, but high-risk projects.

Thus, the strategy of innovative development, which at first consideration seems to be the only possible option for the development of rural entrepreneurial ecosystem, in fact is the most risky option for the development of rural entrepreneurial organizations.

At the same time, one should understand, that for each territory the functionality of the formation and development of the rural entrepreneurial ecosystem and, therefore, the effectiveness of the strategy is determined in a unique way and cannot be transferred to another territory. It follows that the development strategy for each territory will be specific.

The choice of one or another strategy should be determined by the level of cognitive perception of the importance of the above factors of strategic development by entrepreneurs. The innovation strategy can be considered by entrepreneurs only when they are aware of the importance of strategic factors for the successful development of the enterprise, i.e. are able to develop a strategy that takes into account the impact of these factors on the development of the enterprise. Otherwise, if the entrepreneur does not consider these factors significant or believes it impossible to fully analyze

their impact on the development of the enterprise, it is advisable to choose a sustainable development strategy as a conservative-oriented strategy.

Conclusion

The study presented is not aimed at developing a taxonomy of strategies for the development of rural entrepreneurial organizations and an algorithm for the application of strategies. Its purpose is to create a factor model for building strategies of entrepreneurial organizations that adequately respond to the role of rural entrepreneurial ecosystem in the current conditions of Russian rural areas development.

As already noted, the resilience of the ecosystem is not least based on the adequate choice of strategy by actors [31]. The study showed that, at present, rural entrepreneurs do not pay due attention to the long-term development of their enterprises, which leads to the neglect of the factors that have a critical impact on the sustainability of long-term development of enterprises. This neglect eventually leads to a decrease in the resilience of entrepreneurial organizations up to bankruptcy.

The results suggest that the lack of attention from rural entrepreneurs to the analysis of long-term development factors reduces the quality of rural entrepreneurship, the strategic focus of entrepreneurial organizations. The quality and strategic orientation of rural entrepreneurship can be improved if a rural entrepreneurial ecosystem is formed, and, as mentioned above, special attention should be paid to its basis or foundation. The foundation for a rural entrepreneurial ecosystem is its infrastructure, in particular information infrastructure. Small rural entrepreneurs are not able to conduct full-fledged analysis and monitoring of critical factors on a regular basis, but as part of the rural entrepreneurial ecosystem, with the direct participation of other actors, primarily the state and local government, this goal is achievable, which will not only benefit the sustainability of individual entrepreneurial organizations, but will

also synergistically increase the resilience of the entire rural entrepreneurial ecosystem.

Thus, the contribution of this paper to the study of rural entrepreneurship is the creation of a factor model for assessing the strategies of entrepreneurial organizations within the concept of rural entrepreneurial ecosystem, which provides a basis for future research.

Further research on the development strategies of entrepreneurial organizations in rural areas of the Russian Federation will be aimed at developing an index-based economic and mathematical model for assessing the socio-economic functionality of the entrepreneurial ecosystem in rural areas. It should provide comparable information about all aspects of

the entrepreneurial ecosystem development of rural areas and timely response to possible deviations.

The scientific novelty and practical significance of the study lie in the development of our own factor model of building strategies for the development of entrepreneurial organizations in the context of the entrepreneurial ecosystem, aimed at ensuring sustainable socio-economic development of rural areas and increasing the competitive environment of the ecosystem. This model can be used in administrative structures in the development of programs to support rural enterprise, as well as in the real economy in the strategic planning and forecasting of development of business organizations.

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