

## ANALYSIS OF THE STRATEGIC OBJECTIVES OF BANKING INSTITUTIONS UKRAINE IN CORPORATE BUSINESS

**Statement of the problem.** The instability of the banking system, which is one of the consequences of the financial crisis, initiates the formation of special attention to adequate planning in market conditions. Therefore, setting some long-term goals must be an appropriate financial justification and ways to achieve it.

**Analysis of recent research and publications.** Topics of strategic focus of banks dedicated to the works of such scholars as L.O. Prymostka, A.A. Mescheryakov, A.V. Vasyurenko, A.M. Gerasimov, M.D. Alekseenko and many others. However, the issue of the strategic objectives of national banks with corporate clients is still open and needs further research.

**Problem.** Describe ways to achieve strategic goals banking institutions in the segment of corporate business.

**The main material of the study.** It is known that the formation of goals is as long-term as well as the current year. Due to the global financial crisis, the economic and political instability in the country, domestic commercial banks usually define the credit and deposit policies and objectives of the quarter, this year, at least a two-year or three-year period. However, the strategic objectives of the banks are always, respectively, in each institution - they are different. Highlighted by analyzing the priority strategic objectives of certain banks, some of which can design, abstracting from the previous history of their specific bank, some alternative ways of achieving them.

Longer-term goals are divided according to corporate and retail customers. Speaking about the strategic goals of the corporate sector, then such primarily include:

- 1) strengthening market position;
- 2) expanding customer base;
- 3) expand the range of services;
- 4) risk management policy in terms of portfolio quality;
- 5) improve the quality of service.

First you need to determine which segment the customer base gets

for implementation of these goals. This above all:

- large private enterprise;
- state and municipal enterprises;
- small and medium businesses.

So let's take each of the objectives and characteristics give practical ways to achieve it.

Strengthening the market position. Addressing this goal is through the development of sales channels. Thus, it can be carried out through cross-selling and through the batch service.

Cross-selling - is offering clients a set of related products directly unrelated to the activities of the bank [1]. One way of improving and developing cross selling can be considered as unified brochures banking services to customers. The purpose of this presentation is the concentration and the most complete overview of all the services that can provide both. It can be expressed as owner cooperation with the bank in which each corresponds to specific customer needs and offers banking services. Here, describing the benefits of the product, subject to the required list of documents that are nec-

essary to deal with the provision of this service. The brochure will constitute for retail and corporate clients individually.

Analysis of domestic banks enables noted that many of them stress the difficulties of selling additional products and customer service, so maximizing revenue from each customer must become a priority among all the list of tasks for bank employees. Bank needs to develop a program to encourage such cross selling (selling products of other divisions). This is achieved by implementing a reflection of conditions in planning sales staff and customer management departments not only sales plan with basic services that charge of experts, but also plan sales services of other departments.

Another type is the packaging, which provides a service for one or another rate plan when the bag is a whole range of banking and non-banking products. An example is packing a debit card that allows customers to receive higher interest on the minimum balance for payment, plus free access to the Internet, with which you can pay utility bills, get discounts in commercial enterprises [1].

It is impossible not to note this type of service as online customer service, which can cost 3.5 times cheaper than traditional service, but also starting to develop Internet banking can spend about six months.

For example, remote maintenance system "Client-Bank Internet" (iFOBS), provides its corporate clients PC "KREDOBANK". The range of services includes conducting cashless payments in local and foreign currency transactions of purchase, sale and conversion of foreign currency as mobile banking.

Next target banking institutions in the corporate business sector follows from the above and is an extension of its customer base.

It is known from practice, retention of existing customers - easier and less costly process than attracting new ones. So banks need to pay attention is the development of special programs that include increasing the loyalty and satisfaction of existing customers.

As an example, the following program elements are:

- annual christmas gifts and birthday gifts;
- invitations to events sponsored by the bank;
- common lunch and dinner;
- bonuses and discounts on certain bank products;
- joint loyalty program with shopping centers and companies.

But these programs do not need to be created only for the existing customer base. Business marketing services to attract new customers and increase sales of existing ones can perform by creating new products and business lines, as well as expanding sales channels in the region.

Another of the most effective ways to achieve the said objectives is to have competitive rates. Analysis of the rates of the bank carried out to determine the competitiveness of the bank on their level and the possibility of increasing the bank's fee income through pricing policy [2].

Also assessment rates for similar services offered by other banks, and establishing competitive rates bank determines eligibility for the customer service offered

by the bank and is a significant factor that affects the amount of the service [3].

Expansion of banking services is the next long-term goal that can be achieved through:

- development of the business component collection services;
- the availability of standardized products for small and medium businesses;
- spectral segmentation of the product range;
- new structured products;
- special products for state and local government agencies.

Let us analyze some of them. Development of new banking products and services to meet customer needs and economic and political conditions in the country is a key element in creating long-term customer relationships. An example for corporate business will be to set loan for working capital at prices current money market and short-term revolving line of credit that provide customers with highly flexible and customized financing terms. Also these products include structured trade finance in the form of pre- export financing, financing secured by inventory, post export financing. This provides benefits to producers and allows them to more effectively fund turnover in difficult market conditions.

Risk management - one of the following main long-term objectives of the bank. Most banks choose conservative policy in shaping the quality of the portfolio, which provides a conservative approach to the borrower. Also include ways to achieve reduction in the concentration of assets and liabilities and diversification of the portfolio.

The method of diversification is to allocate the loan portfolio among a wide range of borrowers, which differ from each other as the characteristics (size of capital ownership) and in terms of (economic sector, geographic region).

Shaping the loan portfolio is to keep a certain level of concentration, since each bank operates in a particular market segment and specializes in serving certain customers.

The optimal ratio between the levels of diversification and concentration of loan portfolio is a task that should solve the management of each bank, depending on the chosen strategy, opportunities and specific economic situation.

Please note that diversification requires professional management and in-depth market knowledge. Therefore, excessive diversification does not lead to a decrease, and the growth of credit risk. Even the big bank is not always a sufficient number of highly qualified specialists who have in-depth knowledge in many industries know specificity of different geographical areas, with hands-on experience with various categories of borrowers [4].

Given that control of banking risks is one of the most important factors that determine the profitability of PC "Kredobank" implements and develops a set of procedures for risk management in accordance with the regulations of the National Bank of Ukraine and usage suggestions and recommendations of the Basel Committee on Control banking and other international organizations.

It follows last priority long-term goal of banking institutions in the segment of corporate customers - a better quality of service, which is realized through the implementation of specific measures:

- improving operational work, including the separation of front- and back- office;
- the introduction of a single operating system;
- standardization and optimization of business processes;
- training of personnel;

- differentiation approach to customer service.

Regarding the first point, there should be defined in such a concept,

both front- and back-office operations in the system.

Operating the bank - a collection of processes related to documenting information on operations of the bank, holding their registration in the relevant registers, verification, lining-up and monitoring operational risks that may arise as a result of external causes and mistakes employees.

Operating activities provided bank employees who serve as front office and back office. The functions of the front office staff are initiating and organizing operations by adding the relevant contracts. Serve as the front office staff could treasury, credit units, securities and other units that are responsible for the initiation of active and passive operations.

Back office staff ensure compliance with the appropriate procedures for the registration, inspection, lining-up, accounting for and control their conduct, they interact with the front-office departments, banking institutions and other counterparties with tax authorities and statistics [5].

The internal control system of the bank - is not only an important element of operations, which is a set of procedures designed to prevent, detect and correct material misstatements, to protect and preserve assets completeness and accuracy of records and an important factor that enhances and enhances its activity.

The next way to achieve these last strategic objectives for the corporate sector - is training.

Managing the development of professional competence of staff in modern banks can occur in the following areas:

- staff training and improving his skills;
- development of an organizational culture of the bank;
- work with a reserve of personnel for promotion to management positions [6].

Education workers - a vocational training that allows you to expand and deepen the knowledge, skills and abilities to the service level requirements [7].

Training is a continuous process of development and improvement of professional knowledge, skills and personal qualities of employees.

The main factors that determine the relevance of training in modern banks:

- introduction of the achievements of NTP that promotes communication capabilities;
- modern continuous and rapid changes in information technology banking;
- increased competition at all levels of management of public life and the need to improve the competitiveness of the bank employees;
- introduction of new banking products and services, new technology service;
- the creation of new departments and services of the bank and so on.

In practice, most domestic banks prefer teaching staff specialized training centers [6].

Considering the differentiation approach to customer service, one could argue that many banks is a significant issue where when you receive a complaint to the bank customer's problem is solved, but this process does not make any findings as a result of these problems appear again. This activity can be called a model of banks complaint. A client organizations working model of "service recovery", in which the call is driven to increase customer satisfaction and bring changes in the company to avoid a repeat of the situation.

As an innovative approach, the system can result in Customer Relationship Management (CRM). CRM

- system of customer relationship management, the concept of customer relationship management based on its needs for building long-term relationships with them. An integral part of that strategy is a set of measures to attract, retain and increase customer profitability.

Implementation of CRM in the bank will collect information about each customer to define the target customer to develop a personalized package of products and services for every customer to increase the efficiency of co-workers, to provide a prompt action on responses to customer requests and respond to changing market conditions [8].

**Findings from the study.** After some investigation of strategic objectives in the corporate banking sector, we can conclude that these long-term goals is to introduce modern banking technologies and products as a basis for improving operational efficiency and ensuring balanced and sustainable growth in the long run. Address of bank account management to plan their activities and calculation of achieving mission tactical decisions will ensure proper growth and profitability of domestic banks in a volatile political, economic, social and financial situation.

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