

Strategic Approaches to Increasing the Investment Attractiveness through a Supply Chain Management: Foreign and Domestic Experience

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Abstract—The study proposes the definitions of the concepts of "supply chain management", "investment attractiveness of supply chain managements", "increasing the investment attractiveness of a supply chain management" and "investment gap". The methodological foundations for assessing the investment attractiveness of regions are presented. The study summarizes strategic approaches to increasing the investment attractiveness of the region proposed by Russian and foreign scientists and researchers. The research describes strategic approaches to increasing the investment attractiveness of a supply chain management with due regard to the systemic factors of increasing the investment attractiveness of a supply chain management: the development and implementation of strategic planning, targeted training of personnel. The key elements of a strategy to increase the investment attractiveness of a supply chain management, in particular, strategic indicators and measures, have been proposed. The implementation of the strategic approaches described in the study will increase the number of regional projects and the efficiency of investment resource management, improve the socio-economic development of the area, as well as the coverage of measures aimed at investment development.

Keywords— *strategy, investment attractiveness, supply chain management, indicators, activities.*

1. Introduction

Today, Russian and foreign regions are characterized by significant resource endowment differentiation; this also refers to the basic types of economic resources. Obviously, this affects the investment attractiveness of most regions.

As evidenced by the integral assessment of the investment attractiveness of Russian regions, the highest ranks are determined by the advantages of large cities of federal subject significance (Moscow, St. Petersburg), the agglomeration factor (Moscow region, Leningrad region), the factor of the availability of raw materials (Yamalo-Nenets Autonomous District, Sakhalin region, Tyumen region). Only a small number of the federal subjects of the Russian Federation demonstrate a balanced and effective policy of managing investment attractiveness, which does not depend on the raw materials, territorial and other advantages of the

region (Republic of Tatarstan, Belgorod region, Lipetsk region, etc.). At the same time, the investment attractiveness of a significant number of regions is described as average and moderate. Investment attractiveness of the regions is not stable due to the following reasons: the convenience of the geographical location and the availability of natural resources; the characteristics of the labor resources of the region; the state of the regional infrastructure; the potential of the regional demand; the production potential of the regional economy; the state of the institutional environment and socio-political conditions; the availability of financial resources and financial sustainability of the region. The analysis of the studies on investment attractiveness shows that on average, up to 20% of the studied regions annually move down the ranking list [1].

Investment attractiveness of the region is a manageable indicator of regional development. The investment attractiveness of the region largely depends on the mechanisms used at the level of management of the subjects of the Russian Federation. At the same time, the resource endowment of the region is of decisive importance.

With respect to regions characterized by poor resource endowment (supply chain managements), it is necessary to develop methods and mechanisms for the formation and increase of investment attractiveness adapted to their specificity. Lack of a particular economic resource or most of them cannot be the reason for the low investment attractiveness of supply chain managements; this is evidenced by foreign experience and practice of individual Russian regions.

The analysis of foreign approaches to managing the investment attractiveness of regions revealed that practice-oriented methods are most often used. Ranking is becoming one of the most common tools for managing the investment attractiveness in foreign countries.

A British specialist, R. Matthews, compiled an enneagram of strategic management which consists of the following elements: business environment, goal setting, finance, resources, alternative strategies, choice of strategy, combination of resources, adaptation [2]. The model formed the basis of the methodology for compiling rankings of the economic development of regions and their investment attractiveness.

The ranking approach to assessing the investment attractiveness of regions is commonly found in other foreign methodological developments. For example, initially, the methodology for assessing investment attractiveness was developed by French specialists, which was later tested in Russian practice [3].

Foreign countries have accumulated extensive experience in increasing investment attractiveness; they use diverse tools to realize the innovative potential of the territories, reduce investment risks and, as a result, attract investment. The tools used by foreign countries and the structure of management entities coordinating the investment policy are of interest.

However, despite a significant number of studies devoted to increasing the investment attractiveness of the region, there is no consistent approach that takes into account the specificity of supply chain managements.

These factors determined the relevance of the research topic. Thus, there is a need to clarify the conceptual aspects, develop and improve the methodological foundations for increasing the investment attractiveness of a supply chain management.

1.2 Setting objectives

Motivation: The issue of the development and implementation of strategic approaches to increasing the investment attractiveness of supply chain managements has not been properly elaborated. This determined the relevance of the research topic.

The purpose of the study is to propose strategic approaches to increasing the investment attractiveness of a supply chain management.

The following research objectives have been set:

- to develop an extended definition of the "supply chain management" concept;
- to summarize strategic approaches to increasing the investment attractiveness of the region proposed by Russian and foreign scientists and researchers;
- to propose strategic approaches to increasing the investment attractiveness of a supply chain management;
- to propose metrics, measures and elements of the strategy for increasing the investment attractiveness of a supply chain management.

2. Methods and materials

The research object is the methods of regional investment attractiveness management.

The subject of the research is the methods and mechanisms for the formation of investment attractiveness of supply chain managements.

The study involved Russian (Krasnoyarsk Krai, Samara region, Nizhny Novgorod region, Irkutsk region, Perm Krai, etc.) and foreign (Whitman County (Washington State), Ruhr region (Germany), North Brabant (the Netherlands), Kirklees County

(Great Britain), etc.) supply chain managements.

The study is based on the scientific works by foreign and domestic researchers devoted to the management of the investment attractiveness of supply chain managements.

Basic methods. The study relies on the scientific methods of cognition, systemic, logical, and comparative analysis, as well as grouping and generalization.

The research is based on the consistent methodological approach substantiating that the "core" of a supply chain management can be considered, firstly, theoretical, methodological and general scientific patterns and principles underlying the spatial projection of economic activity, interregional, regional and subregional economic structures and, secondly, theories, concepts, and hypotheses that reveal the paradigm of the development of the investment attractiveness of a supply chain management; thirdly, the "core" of the economy of a supply chain management should include theories and concepts related to regional management and policy that can promote economic growth, as well as strengthen the position of a supply chain management on the national and world arena of investment competition. At the same time, generalized scientific results generated based on different paradigms provide a fairly adequate description of the regional economy.

The following methodological approaches were used in the study: narrowed, extended, risky.

At the same time, the methodological foundations for assessing the investment attractiveness of regions are often reduced to the methods and factors for assessing investment attractiveness, in particular, the methodology for assessing the investment attractiveness of a region based on the construction of integral indicators (classifications, factor analysis), international agency rankings, international business publication rankings, research by large consulting companies, etc.

It should be noted that based on the long-term study of the above issue, a mechanism for improving the investment attractiveness of regions was developed; it includes the key stages and their description when choosing methods aimed at increasing the investment attractiveness of supply chain managements) [4].

The research is based on federal and regional statutes and regulations, federal studies and investment attractiveness rankings of Russian (Krasnoyarsk Krai, Samara region, Nizhny Novgorod region, Irkutsk region, Perm Krai, etc.) and foreign (Whitman County (Washington State), Ruhr region (Germany), North Brabant (the Netherlands), Kirklees County (Great Britain), etc.) supply chain managements.

3. Results and discussion

The study proposes an extended definition of "supply chain management"; firstly, this is an area that has the features of a region and systematically lacks basic types of economic resources due to the lack of natural resources; secondly, this is an area that has limited availability of other types of resources (labor, financial, information) to a degree critical for its development.

The most generalized definition of "investment attractiveness" was given by LeThiThuyNga; thus, this is a set of objective financial and economic characteristics, values and indicators of the state of an object as of a specific date that meet the requirements of each type of investor in terms of the risk-return ratio to invest in the categories of objects ensuring the achievement of their goals in a certain period of time [5].

In the present study, the investment attractiveness of a supply chain management is defined as a subjective-objective category reflecting the desire of investors to invest in the regional economy taking into account its development level and the lack of availability of natural, territorial, financial, social and information resources. The investment attractiveness of a supply chain management is increased due to the totality of the impacts of the subjects of regional development management aimed at improving the investment climate and realizing the investment potential of the area.

The methods of constructing methodological foundations reflected in certain approaches developed by individual researchers and organizations are of scientific interest.

For example, V.N. Myakshin describes

- a methodology for assessing the investment attractiveness of a region, including an algorithm of measures: formation of the assessment statistical basis, determination of the key factors of investment attractiveness, determination of the assessment system, determination of target indicators of investment attractiveness, selection of key indicators based on the assessment of their relationship with the key factors of investment attractiveness, calculation of integral indicators of investment attractiveness, assessment of the level of investment attractiveness, assessment of the potential of investment attractiveness;

- the procedure for calculating the integral indicators of investment attractiveness;

- the procedure for selecting indicators for individual factors of investment attractiveness of the region [6].

T.A. Burtseva also considers the methodological foundations for assessing the investment attractiveness of regions and notes that they are based on:

- the structure of the investment attractiveness of the region as an object of study that includes material, natural and geographical, financial, human, and innovative potential; and the performance of public authorities and the private business sector in the region;

- the use of investment attractiveness assessment methods based on the construction of integral indicators: classifications (cluster analysis, multidimensional grouping, discriminant analysis, typology and systematization) and factor analysis (expert assessment, factor analysis, correlation and regression analysis, structural analysis, dynamic standard method);

- an algorithm to construct integral indicators for assessing the investment attractiveness of a region;

- a system of statistical indicators of the investment attractiveness of a region;

- the scheme of the multilevel analysis of the investment attractiveness of a region [7].

When analyzing the methodological foundations for assessing the investment attractiveness of regions, we should note applied methods of regional investment attractiveness assessment. A significant contribution to the development of the applied methodological foundations for assessing investment attractiveness was made by foreign organizations:

- international agency rankings: Moody's, Standart & Poor's, etc.;

- international business publication rankings: Euromoney, Fortune, Economist, etc.;

- research by large consulting companies: Ernst&Young, PWC etc.;

- methods developed by educational institutions: Harvard Business School, Institute for Advanced Studies, etc.

In [8], we describe measures for increasing the investment attractiveness of a supply chain management; in particular, these include carrying out activities to analyze the current situation in the region; creation of an effective regional legal framework regulating relations with internal and external investors; formalizing a long-term vision of changing the investment attractiveness of the region into a government strategic plan; solving organizational and technical problems of increasing investment attractiveness; etc.

Foreign scientists and researchers have developed a number of strategic approaches to increasing the investment attractiveness of a region. In particular, the following can be noted:

- based on the example of Poland, Nazarejuk J.M. and Lizinska W. stated that there is a strong relationship between investment attractiveness and the number of economic entities located in the region. In addition, they concluded that foreign investors are interested in areas that have convenient logistics systems and tax incentives [9];

- Abbasal Mihtawi S.N. analyzes Arab countries and notes that investors consider the state of infrastructure, the regulatory and legal framework of the region, the stability of the macroeconomic and political climate before increasing the inflow of investments [10];

- Dzwigol H., Aleinikova O., Umanska Y., Shmygol N., Pushak Y. proved that when assessing the investment attractiveness of regions, safety of investment (criminogenic, environmental and political factors) should be taken into account [11];

- based on the analysis of Kazakhstan experience, Gaebel K., Nfvtnova Z., Kozlenkova N. highlighted the need to describe the benefits of the region to investors, as well as to conduct interregional cooperation [12];

- Robert V. proposed a methodology for assessing the investment climate of territories based on expert assessments [13];

- Mustafakulov S. developed a methodology for assessing the investment attractiveness of regions, as

well as a method of calculation the amount of investment in production processes [14];

- in World Investment Report 2018, Kituyi M and Guterres A. presented investment policy tools in the context of the new industrial revolution [15];

- in Strategic Directions for the CIF (Summary), the researchers proposed the following strategic approaches aimed at increasing the investment attractiveness of the region: support for innovative and unique projects; implementation of the programmatic approach; introduction of the concession system in the business environment [16].

Semin A., Kibirov A., Rassukhanov U. developed measures for increasing the investment attractiveness of the agro-industrial sector on the example of the North Caucasian Federal District [17].

Based on the analysis of [18] – [23], let us consider specific mechanisms used in foreign countries that are aimed at increasing regional investment attractiveness.

For example, a wide range of investment attractiveness development tools are used in the UK:

- special programs aimed at the development of under-developed regions, including the provision of subsidies to such regions;

- provision of land to investors;

- creation of special economic zones to promote investment;

- provision of tax incentives to investors, etc.

In the United States, several governmental institutions and non-governmental structures are involved in the management of investment activities; they are the Committee on Foreign Investment, the U.S. Securities and Exchange Commission, the Overseas Private Investment Corporation, and others. To promote investment activities in the United States, there are state tax incentives, tax deductions, free trade zones, and soft loans.

In Austria, the development of the investment attractiveness of regions takes place based on state participation. In particular, the country focuses on the following mechanisms for increasing the investment attractiveness of territories: direct financing of large investment projects at the regional level, the provision of soft loans from the federal and local budgets, the implementation of long-term investment development programs.

Another world's largest economy, Germany, implements long-term lending programs for small and medium-sized businesses; support programs for enterprises operating in depressed regions; provides soft loans; grants tax incentives to support unseasoned firms at the initial stage of their development.

In Italy, the development of investment attractiveness is based on the provision of tax incentives to companies implementing investment projects in the southern regions of the country; long-term local tax exemption immediately after obtaining the first profit; the provision of grants to enterprises to modernize production; the creation of

special economic zones in some regions.

France relies on the following mechanisms for increasing the investment attractiveness of regions: the provision of subsidies to cover up to a quarter of investment in land and capital construction projects, the provision of soft loans, the use of accelerated depreciation methods, and the provision of tax incentives.

China is mainly focused on attracting foreign investment to its regions. Thus, the state creates free economic zones, provides tax incentives to export enterprises, as well as VAT refunds when exporting products.

Strategic approaches to increasing the investment attractiveness of a supply chain management are described below (Fig. 1).

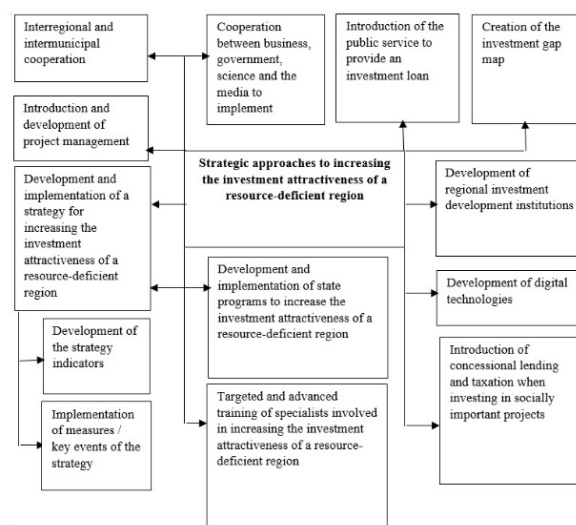


Figure 1. Strategic approaches to increasing the investment attractiveness of a supply chain management

The strategic approaches described above take into account the systemic factors of increasing the investment attractiveness of a supply chain management: the development and implementation of strategic planning, targeted training of personnel, measures to improve state support, the development of cooperation mechanisms, etc.

In order to improve the efficiency of the strategy aimed at the development of investment attractiveness of a supply chain management, the concept of an investment gap has been introduced; this refers to the gap in the investment system of a territory associated with the lack and / or inefficiency of available investment projects aimed at strategic development in terms of the systemic development of the area. Thus, such gaps require the creation of new and the improvement of current investment projects aimed at the socio-economic recovery and sustainable development of the area, as well as increased adaptation to future external and internal changes.

The development of the investment attractiveness of a resource-deficient requires setting strategic priorities; thus, it is recommended to develop a strategy for increasing investment attractiveness. A strategy for increasing the investment attractiveness of a supply

chain management fulfills the following functions:

- a strategy is the primary source of information for internal and external investors. The activities described in the strategy and systematically implemented by the entities of the investment attractiveness management will determine the quality of the approach to the development of investment attractiveness;

- the strategy itself is a newsmaker that can be used by regional and other mass media companies. This contributes to the dissemination of ideas about investment development in the region and strengthens its positive perception by investors;

- the strategy will become a key document that allows management entities to assess the effectiveness of activities implemented at the regional level;

- the strategy reflects the rationale for the development of strategic priorities to increase investment attractiveness, as well as the choice of mechanisms.

In foreign countries, in particular, the following measures are being implemented to improve strategizing in the region:

- in France, there are economic development projects created by communes [24];

- in the Netherlands, a top-down planning system has been introduced; the system is characterized by the involvement of parties representing different levels of government in solving problems based on a dialogue [25].

We have developed a list of recommended elements of the strategy for increasing the investment attractiveness of a supply chain management, which is given in Table. 1.

Table 1. Elements of the strategy for increasing the investment attractiveness of a supply chain management

No.	Element	Element description
1	Investment strategy passport	A short description of the goal, objectives, expected results and parties responsible for the implementation of the strategy
2	Analytical section	Description of the results of the analysis of the socio-economic development of the region and substantiation of its strengths and weaknesses, threats and opportunities, priority sectors and areas of investment development.
3	Strategic priorities for	Setting strategic goals and objectives

No.	Element	Element description
	investment development	in the context of the sector, certain categories of investors, and the amount, areas and structure of investment. Forecasting within the framework of the strategy implementation.
4	Key indicators of the investment strategy	Quantification of the strategic priorities of the region broken down into the most significant groups.
5	Investment strategy resourcing	Justification of the use of resources, including certain types of scarce resources in the region.
6	Timing of investment development measures.	Scheduling of events.
7	Mechanisms for increasing the investment attractiveness of the region	Description of organizational, financial, legal, and technical mechanisms for implementing the objectives of the strategy.
8	Expected results.	Establishing a link between the results of the strategy and the upper-level goals.

Let us consider the following two key elements in more detail: strategy indicators and measures.

The following indicators of the strategy for increasing the investment attractiveness of a supply chain management can be proposed:

- absolute indicators: investment in fixed assets of a supply chain management; the number of new jobs in the region involved in the implementation of investment projects; average wages of workers engaged in the construction of investment facilities; the number of investment projects launched in the reporting period; the number of socially significant projects being implemented during the reporting period, and other;

- relative indicators: an increase in the number of projects implemented in a supply chain management; an increase in "failed investments" in the region; an increase in the number of scientific and practical conferences on the investment in territories during the reporting period; and other.

Measures for increasing the investment attractiveness of a supply chain management:

- creation of a map of the investment attractiveness of a supply chain management indicating investment opportunities and prospects for the development of the area based on digital technologies (available to all users of the Russian Federation);
- implementation of long-term investment agreements as a priority;
- organization of scientific conferences on increasing the investment attractiveness of the region with the participation of business and government representatives;
- creation of the Investor of the region website, which will describe the investment project sites to investors and provide information on the needs and opportunities of investors;
- development of a federal state program to stimulate investors in the Russian Federation;
- provision of municipal and regional premises by the authorities for the creation of business incubators providing consulting services for the implementation of investment projects in the Russian Federation;
- creation of a regional union of investors involving executive and legislative authorities;
- implementation of joint projects between large and medium-sized / small enterprises;
- population survey to develop the investment development scenario;
- other.

4. Conclusions

The following research results have been obtained:

The presentation of the "Investment attractiveness of supply chain managements", increasing the investment attractiveness of a supply chain management and "investment gap" have been proposed.

- a review of the methodological foundations for assessing the investment attractiveness of a regions has been performed;
- the functions and the role of the strategy for increasing the investment attractiveness of a supply chain management have been described;
- strategic approaches to increasing the investment attractiveness of regions have been generalized;
- the key indicators and measures of the strategy for increasing the investment attractiveness of a supply chain management have been proposed;
- the key elements of a strategy for increasing the investment attractiveness of a supply chain management, in particular, strategic indicators and measures, have been described;
- strategic approaches to increasing the investment attractiveness of a supply chain management with due regard to the systemic factors of increasing the investment attractiveness of a supply chain management have been developed.

The strategic approaches developed and described in the study take into account the systemic factors of increasing the investment attractiveness of

a supply chain management: the development and implementation of strategic planning, targeted training of personnel, measures to improve state support, the development of cooperation mechanisms, etc.

The implementation of the strategic approaches described in the study will increase the number of regional projects and the efficiency of investment resource management, improve the socio-economic development of the area, as well as the coverage of measures aimed at investment development;

The theoretical significance of the study lies in the fact that its conclusions contribute to the development of the strategic management and planning of investment attractiveness of supply chain managements.

The research results can be applied in academia, the activities of entities of regional development management, including when creating regional development programs at the level of the constituent entities of the Russian Federation, as well as in education and business.

In general, the research results can be put into practice when making managerial decisions to improve the quality of life of the population in the region and monitoring the situation to increase the investment attractiveness of a supply chain management.

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