# TRANZICIJA/TRANSITION Časopis za ekonomiju i politiku tranzicije / Journal of economic and politics of Transition Godina XVIII Vitez-Tuzla-Zagreb-Beograd-Bukurešt, 2016. Br. 37

  *Preliminary scientific communication*

*Predhodno znanstveno priopćenje*

***JEL Klasifikacija****: F14, F16, F20, M21.*

**Fahrudin Fehrić ● Sanja Zekić ● Kemo Čamdžija[[1]](#footnote-1)\***

**THE INFLUENCE OF ENTREPRENEURIAL STRATEGIES ON CREATING EXPORT CAPACITY OF BH PRODUCTION ENTERPRISES**

**UTJECAJ PODUZETNIČKIH STRATEGIJA NA KREIRANJE IZVOZNE SPOSOBNOST BiH PROIZVODNIH PODUZEĆA**

***Abstract***

*Conceptual solution for the largest number of BH export enterprises is not possible to design, develop and implement without clearly established entrepreneur orientation towards creating such production enterprises which are, in competitive terms, the equivalent to what the competitor has already introduced in the market. Besides the readiness of the entrepreneurial infrastructure at the national level, all business activities at level of production enterprise need to be led to excellence – business excellence which shall increase their export capacity and competitiveness regarding the enterprises from the same branch. Therefore, it is necessary to explore, analyse and define the role, importance and influence of entrepreneurial activities as well as the willingness of management towards the export orientation of production enterprises, and to research and analyse all relevant determinants and factors which are determing participants in creating export capacity and strategy of appearing production enterprises at international market. The ultimate goal of influence research of entrepreneurial activities at export capacity of BH production enterprises is creating entrepreneurial strategies which, by its influence, contribute to creating the effective concept of building export orientation of local production enterprises at foreign markets. The research results show that Cost leading strategy is the most implemented one in export enterprises in Bosnia and Herzegovina, the following is the Focus strategy, while the Differentiation strategy is among a number of strategies least implemented. The results obtained in the research suggest that only those production enterprises that shall be implementing adequate export strategies supported by an efficient infrastructure at the state level have a serious chance of operating in selected target markets.* ***Keywords****: the capability of management, management strategies, international competitiveness, export orientation, production companies.*

***Sažetak***

*Konceptualno rješenje za najveći broj bh izvoznih poduzeća nije moguće osmisliti, razviti a potom i implementirati bez jasno uspostavljene poduzetničke orjentacije ka kreiranju takvih proizvodnih kapaciteta koji su u konkurentskom smislu barem ekvivalent onome što je konkurencija već predstavila na tržištu. Pored pripremljenosti poduzetničke infrastrukture na državnom nivou, neophodno je sve poslovne aktivnosti na nivou proizvodnog poduzeća dovesti do poslovne izvrsnosti - business excellence, što će u vlastitoj poslovnoj orjentaciji pojačati njihovu izvoznu sposobnost i konkurentnost u odnosu na kompanije iz iste branše. U tom smislu neophodno je istražiti, analizirati i definirati ulogu, značaj i utjecaj poduzetničkih aktivnosti kao i opredjeljenost menadžmenta ka izvoznoj orjentaciji proizvodnih poduzeća, te istražiti i analizirati sve relevantne determinante i**faktore koji opredjeljujuće učestvuju u kreiranju izvozne sposobnosti i strategije nastupa proizvodnih poduzeća na međunarodnom tržištu. Krajnji cilj istraživanja utjecaja poduzetničkih aktivnosti na izvoznu sposobnost bh proizvodnih poduzeća je kreiranje poduzetničkih strategija koje po svom utjecaju mogu najviše pridonijeti u stvaranju učinkovitog koncepta izgradnje izvozne orijentacije domaćih proizvodnih poduzeća na inostranim tržištima. Rezultati istraživanja su pokazali da je strategija vođstva u troškovima najviše primijenjena kod izvoznih poduzeća u BiH, zatim strategija fokusiranja, dok je strategija diferencijacije od svih analiziranih strategija najmanje primjenjivana. Rezultati dobijeni u istraživačkom postupku upućuju na zaključak da samo ona proizvodna poduzeća koja budu primjenjivala adekvatne izvozne strategije potpomognute učinkovitom infrastrukturom na nivou države, imaju ozbiljnije šanse za poslovanje na odabranim ciljnim tržištima.* ***Ključne riječi:*** *sposobnost menadžmenta, strategije menadžmenta, međunarodna konkurentnost, izvozna orjentacija ,**proizvodna poduzeća.*

**INTRODUCTION**

Creating entrepreneurial strategies as well as development of entrepreneurship itself takes place in unprepared BH surroundings burdened by unpredictable changes that come as treats or opportunities but without the adequate understanding among those who make the most significant business as well as political decisions. There is a small number of those BH managers who have enough courage to place their business abroad and outside the local market and to direct their business strategies towards export to foreign market. In the effort of local entrepreneurs there is the problem of inadequate business infrastructure at the state level of BH, where production enterprises, each in their own way, apply different methods in creating and managing their own export commercial orientation, which to a significant extent weakens their export capacity and competitiveness compared to companies in developed countries. Strong international enterprises build their entrepreneurial activity and competitiveness on differentiation, innovation, cost reduction and the introduction of modern technological procedures which lead the production to its perfection. Of course, these are just some of the elements that become an integral part of a strategic approach to building competitive strength in entrepreneurship. The BH enterprises, if they want to survive in the global economic environment, need to define an area of their business in which they can achieve top-world results and build a base for their overall future business. The necessity for the introduction of specialization that focuses on the most powerful and the most profitable parts of the enterprise, requires discharge of anything that company has not got a leading position in the market, while focusing on that part of the business in which the enterprise achieved outstanding results which are comparable to the strongest in the same activities of business. How to achieve competitive advantage as one of the preconditions for export orientation in the business of production enterprises is the dilemma that has been questioned by many companies and their managers. In an attempt to clarify this issue the idea is to always start with the analysis of your own business and exploration of those areas of business where you can introduce and apply new profitable ideas, which can lead to improvement larger than the competition. The export capacity based on competitive strength is estimated according to enterprise with the leading position in its branch and when above average results in business are achieved comparing to the competition. However, there are several ways for achieving export capacity: price, differentiation, responsible business, advantage in owning and using resources, creating superior values, creating effective business strategies, quality business environment and others. Experiences from other countries show that responsibility in business in the conditions of severe market game becomes one of the main managing tools for creating competitive advantage, therefore, why shouldn’t this be accepted by our local employers as well. The improvement of entrepreneurial activities regarding the strengthening of competitive ability of Bosnian and Herzegovinian production enterprises who want to place their products on international market is necessary to be based on fast and strategic orientation of management who is able to use all business opportunities from wider business surroundings, regardless of inadequate business infrastructure at the state level. Numerous inventions in the world leading enterprises have changed the business organisation in different ways regarding the reducing operational business costs, increasing income, positioned themselves in the minds of customers and provide these companies an advantage over the competition. One way of providing export capacity is constant introduction of new business ideas, innovation of products, services, business processes combining with other important factors in business process. Innovations can be found in small countries in transition such as Bosnia and Herzegovina, and in minor companies, in particular if they are brought to attention on time and accepted by management and if it is possible to manage them successfully.

**RESEARCH ON THE EFFECT OF ENTREPRENEURIAL STRATEGIES ON EXPORT CAPACITY OF BH PRODUCTION ENTERPRISES**

In the structure of empirical part of this research article “*The influence of entrepreneurial strategies on creating export capacity of BH production enterprises”,* it is necessary to examine, analyse and theoretically present the theoretical positions of 37 managers or owners of production enterprises in BH, who are engaged in export. Research, analysis and processing are directed towards three generic entrepreneurial strategies mostly used by managers and owners of production enterprises and considered most suitable and applicable in the export policy of Bosnian companies. Empirical research has been conducted using the survey questionnaire containing four questions. The analyses of data collected tries to prove and present generic strategies which are the most frequently used, more efficient than others, and the most competitive and applicable by the producers of BH. In addition, it is possible that all three generic strategies are equally important, or important enough regarding the difference in opinions of survey participants which is statistically a minor difference. Therefore, T-test has been conducted as well. Regarding this, T-test indicates whether exists significant statistics difference in the participants’ opinions regarding the generic strategies, i.e., whether the difference between the participants is significant. Besides T-test, descriptive statistics has been conducted as well, for each question, in order to obtain a clear picture of attitudes of managers or the owners of importance of individual generic strategies in export policy of BH. In addition to the arithmetic mean, standard deviations and coefficient of variation, measures of central tendency have been obtained, as well, i.e. mode and median. Since this is a minor sample, less than 50 observations, in order to examine the arithmetic mean, it is preferred to work mode as the most common response of participants and median, which poles the appearance into two equal parts. Based on the five factors which affect the appealing to industrial sector Porter developed possible strategies whose main dimensions are competitive advantage and level of market coverage. For the purpose of conducting research procedure in this article, three types of generic strategies are listed, namely: Cost leadership strategy, Differentiation strategy, and Focus strategy. Cost leadership strategy is based on competitive advantage of lower costs in order to reach an increase market share and increase in target market segments. The basis of this strategy is the efficient management of resources, and through the flow of experience, economies of scale, tight costs control, lowers the cost price of the product. In this way organizations build their competitive advantage. Differentiation strategy is based on differentiation in relation to competition. The main aim of the company is to offer the products/services different from other competitors in the same industry, but to reach larger number of target market segments. The most important requirement for success of this strategy is analysing customers’ needs and their behaviour and establishing what is most preferable for the customers. If the differentiation strategy is successfully conducted, the company has the opportunity to: determine higher prices (premium prices), secure customers’ loyalty and increase sales volume. The most preferable is differentiation on several bases, smaller the similarity over the competition, larger increase of market share and protection from the competition. Focus strategy is based on implementation on focused market segment on the entire market. The focus is on satisfying the needs of certain group of customers, while the limits of market segments can be defined geographically or based on product line. The focus strategy is derived from two basic strategies- Cost leadership strategy and Focus strategy. Survey questionnaire is set according to Likert -type scale, and answers provided are rated according to scale from 1-5, where 1 means the lowest level of agreement with the statement set, and 5 the highest level of agreement with the statement set:

1. Strongly Disagree,
2. Disagree,
3. Undecided,
4. Agree,
5. Strongly Agree

 Survey questionnaire used for research of managers and owners’ opinions, which are in export business, was as follows:

Rate which of the three possible generic strategies largely contributes to creating a positive export policy in Bosnia and Herzegovina?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cost leadership strategy  | 1 | 2 | 3 | 4 | 5 |
| Differentiation strategy | 1 | 2 | 3 | 4 | 5 |
| Focus strategy | 1 | 2 | 3 | 4 | 5 |

Rate which of the three possible generic strategies largely increase the export capacity of the BH enterprises?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cost leadership strategy  | 1 | 2 | 3 | 4 | 5 |
| Differentiation strategy | 1 | 2 | 3 | 4 | 5 |
| Focus strategy | 1 | 2 | 3 | 4 | 5 |

Rate which of the three possible generic strategies largely contributes to a better competitive position in the international market of enterprises engaged in the export of products from Bosnia and Herzegovina?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cost leadership strategy  | 1 | 2 | 3 | 4 | 5 |
| Differentiation strategy | 1 | 2 | 3 | 4 | 5 |
| Focus strategy | 1 | 2 | 3 | 4 | 5 |

Rate which of the three possible generic strategies is mostly used in positioning in the international market?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cost leadership strategy  | 1 | 2 | 3 | 4 | 5 |
| Differentiation strategy | 1 | 2 | 3 | 4 | 5 |
| Focus strategy | 1 | 2 | 3 | 4 | 5 |

Collected responses, which are obtained, are processed in statistical program for data analysing SPSS, and the results are as follows:

**Table 1.** Rate which of the three possible generic strategies largely contributes to creating a positive export policy in Bosnia and Herzegovina?

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cost leadership strategy** | **Differentiation strategy** | **Focus strategy** |
| N | Valid | 37 | 37 | 37 |
| Missing | 0 | 0 | 0 |
| **Arithmetic mean** | 4.6216 | 3.5135 | 3.3514 |
| **Median** | 5.0000 | 4.0000 | 4.000 |
| **Mode** | 5.00 | 4.00 | 4.00 |
| **Standard deviations**  | .59401 | 1.04407 | .97799 |
| **Minimum** | 3.00 | 2.00 | 1.00 |
| **Maximum** | 5.00 | 5.00 | 5.00 |
| **Coefficient of variation** | 0,126 | 0,296 | 0.291 |

Source: Author analysis in statistical program SPSS 20.

Analysing data collected from 37 managers and owners of production enterprises engaged in exporting, it can be concluded that the strategy largely contributing to creating a positive export policy in BH is a generic Cost leadership strategy. The average survey response rate from managers and owners surveyed is high 4,6216. Considering the small sample (under 50 participants), in order to analyse arithmetic mean, the mode and median have been found and in both samples they are 5 – strongly contributes to creating export policy, as the most common response. The coefficient of variation was 12.6 and standard deviation was 0.59401, as a minimum deviation, and proof that this is a very homogeneous group response. Data analysis has shown that participants agree with the statement that differentiation strategy contributes to creating positive export capacity in Bosnia and Herzegovina. The average response was 3, 5135, the most common response rate is 4- contributes to creating positive export capacity. The coefficient of variation is 29, 6%, therefore, it can be concluded that this is a homogeneous group response. Standard deviation is 1, 044, which is not a large deviation of arithmetic mean, and hasn’t got a negative influence on arithmetic mean. Participants partly agree that Focus strategy contributes to creating positive export capacity in Bosnia and Herzegovina. The arithmetic mean is 3, 3514, and the most common response rate (mode) is 4- contributes to creating export policy. Standard deviation is 0, 977, which is not high and hasn’t got a negative influence on arithmetic mean. Coefficient of variation is 29, 1%, and it can be concluded that this is a very homogeneous group response. In the previous table, through descriptive statistics the results obtained have been analysed and theoretically processed. Descriptive statistics have shown the existing difference between participants’ attitudes in three generic strategies, and whether these differences are statistically important or not it shall be determined in the following part of this paper, applying the T-test.

**Table 2.** Comparing the existence of differences using t - test Differentiation and Focus strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Differentiation StrategyFocus strategy | .16216 | 1.48162 | .666 | 36 | .510 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 510 > 0, 05, therefore it can be concluded that there is no significant statistic difference between the response of manager and owner regarding the differentiation strategy and Focus strategy, i.e. these strategies are similar for managers and owners of production enterprises engaged in export.

**Table 3.** Comparing the existence of differences using t - test Differentiation and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy - Differentiation Strategy | 1.10811 | 1.14949 | 5.864 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the differentiation strategy and cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export. As described, managers and owners prefer cost leadership strategy which contributes to creating a positive export policy in Bosnia and Herzegovina.

**Table 4.** Comparing the existence of differences using t - test Focus and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Focus Strategy | 1.27027 | 1.12172 | 6.888 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Focus strategy and Cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export, and they have a different contribution to creating a positive export policy.

**Table 5.** Rate which of the three possible generic strategies largely increase export capacity of BH enterprises

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cost leadership strategy** | **Differentiation strategy** | **Focus strategy** |
| N | Valid | 37 | 37 | 37 |
| Missing | 0 | 0 | 0 |
| **Arithmetic mean** | 4.5135 | 3.1081 | 3.7838 |
| **Median** | 5.0000 | 3.0000 | 4.000 |
| **Mode** | 5.00 | 4.00 | 4.00 |
| **Standard deviations**  | .73112 | 1.17340 | .94678 |
| **Minimum** | 3.00 | 4.00 | 3.00 |
| **Maximum** | 2.00 | 1.00 | 2.00 |
| **Coefficient of variation** | 5.00 | 5.00 | 5.00 |
| **Arithmetic mean** | 0, 16 | 0, 35 | 0,24 |

Source: Author analysis in statistical program SPSS 20.

Analysing data collected has shown that managers and owners of production enterprises engaged in exporting strongly agree that the Cost leadership strategy is largely increasing export capacity of BH enterprises. The average survey response rate is high 4,5135, and the most common response is 5- strongly agree.

Standard deviation shows a minor deviation from arithmetic mean, and the coefficient of variation proofs that this is a homogeneous group response. Participants agree to a small extent that Differentiation strategy is increasing export capacity of enterprises. The average survey response rate is 3, 108, and the most common response is 4 – I agree. Standard deviation is 1, 173 which represent an acceptable deviation from arithmetic mean. Coefficient of variation shows that this is a homogeneous group response. Participants agree that Focus strategy is largely increasing export capacity of BH enterprises. The average survey response rate is 3, 7838, which is less than cost leadership but more than Differentiation strategy. The most common response is 4 – I agree with the statement which largely confirms the statement itself. Standard deviation is minimum and has not got a negative influence on arithmetic mean as well as coefficient of variation which shows that this is a homogeneous group response. In the following part, by applying the t-test, it is analysed whether exists significant statistic difference in generic strategies, and which of the mentioned strategies is increasing export capacity of BH enterprises.

**Table 6.** Comparing the existence of differences using t - test Focus and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Focus Strategy | .72973 | .99019 | 4.483 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the differentiation strategy and cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export. Managers and owners prefer Cost leadership strategy and it largely contributes to increasing export policy of BH enterprises.

**Table 7.** Comparing the existence of differences using t - test Differentiation and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Differentiation Strategy | 1.40541 | 1.42321 | 6.007 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Focus strategy and Cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export and they differently contribute to increasing export policy of BH enterprises.

**Table 8.** Comparing the existence of differences using t - test Differentiation and Focus strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Differentiation Strategy-Focus strategy | -.67568 | 1.58209 | -2.598 | 36 | .014 |

Source: Author analysis in statistical program SPSS 20.

 P = 0, 014 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation and Focus strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export and they differently influence on increasing export policy of BH enterprises.

**Table 9.** Rate which of the three possible generic strategies largely contributes to a better competitive position in the international market of enterprises engaged in the export of products from BiH

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cost leadership strategy** | **Differentiation strategy** | **Focus strategy** |
| N | Valid | 37 | 37 | 37 |
| Missing | 0 | 0 | 0 |
| **Arithmetic mean** | 4.3784 | 2.4865 | 3.8108 |
| **Median** | 4.0000 | 2.0000 | 4.000 |
| **Mode** | 5.00 | 2.00 | 4.00 |
| **Standard deviations**  | .68115 | 1.16956 | .84452 |
| **Minimum** | 2.00 | 4.00 | 4.00 |
| **Maximum** | 3.00 | 1.00 | 1.00 |
| **Coefficient of variation** | 5.00 | 5.00 | 5.00 |
| **Arithmetic mean** | 0, 15 | 0, 46 | 0,22 |

Source: Author analysis in statistical program SPSS 20.

Analysing data collected it can be concluded that participants largely use Cost leadership strategy which contributes to a better competitive position in the international market. The average survey response rate was 4,3784, therefore, participants strongly agree that Cost leadership strategy contributes to a better competitive position in the international market of enterprises engaged in the export of products from Bosnia and Herzegovina. In addition, this attitude is confirmed by mode as the most common response rate, which is 5 – strongly contributes. Standard deviation of arithmetic mean is 0,68115, a minor deviation and has not got negative effect on the result obtained, as well as coefficient of variation which shows that this is a very homogeneous group response. Participants agree to a small extent that Differentiation strategy is contributing to a better competitive position in the international market The average survey response rate is, just, 2,4865. Considering the small sample (under 50 participants), it is preferable to find mode as well, which, in this case, confirms the arithmetic mean, which is 2 – strongly not contributes. Standard deviation is 1, 16956, which represent an acceptable deviation. Coefficient of variation shows that this is to some extent, a homogeneous group response. Data obtained and analysed show that participants agree with the statement that Focus strategy contributes to some extent creating a better competitive position of BH enterprises in the international market. The average response is 3, 8108, and the mode as the most common response rate is 4- I agree it contributes. Standard deviation is minimum, and has not got a negative effect on result obtained, as well as the coefficient of variation which shows that this is a homogeneous group response. In the following part, by applying the t-test, it is analysed whether exists significant statistic difference in generic strategies, and which of the mentioned strategies is largely contributing to creating a better competitive position of BH enterprises.

**Table 10.** Comparing the existence of differences using t - test Differentiation and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Differentiation Strategy | 1.89189 | 1.28633 | 8.946 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation strategy and Cost leadership strategy, i.e. there is a statistic difference in contributing to creating a better competitive position of BH enterprises in the international market. Managers and owners prefer Cost leadership strategy and believe that it largely contributes to creating a better competitive position.

**Table 11.** Comparing the existence of differences using t - test Focus and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Focus Strategy | .56757 | 1.01490 | 3.402 | 36 | .002 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Focus strategy and Cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export. Managers and the owners share the opinion that Cost leadership strategy largely contributes to creating a better competitive position of BH enterprises in the international market.

**Table 12.** Comparing the existence of differences using t - test Differentiation and Focus strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Differentiation strategy – Focus Strategy | -1.32432 | 1.29216 | -6.2324 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation and Focus strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export, and they are not contributing to the same extent to creating a better competitive position of BH enterprises in the international market.

**Table 13.** Rate which of the three possible generic strategies is mostly used for positioning in the international market

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cost leadership strategy** | **Differentiation strategy** | **Focus strategy** |
| N | Valid | 37 | 37 | 37 |
| Missing | 0 | 0 | 0 |
| **Arithmetic mean** | 4.2973 | 2.6486 | 3.7027 |
| **Median** | 5.0000 | 2.0000 | 4.000 |
| **Mode** | 5.00 | 2.00 | 4.00 |
| **Standard deviations**  | .93882 | 1.00599 | .84541 |
| **Minimum** | 3.00 | 4.00 | 3.00 |
| **Maximum** | 2.00 | 1.00 | 2.00 |
| **Coefficient of variation** | 5.00 | 5.00 | 5.00 |
| **Arithmetic mean** | 0, 21 | 0, 37 | 0,22 |

Source: Author analysis in statistical program SPSS 20.

Analysing data collected has shown that participants i.e. their enterprises mostly use Cost leadership strategy. The average survey response rate is 4 2973, and the most common response is 5- strongly agree. Standard deviation is acceptable, 0, 93882. The coefficient of variation proofs that this is a homogeneous group response. Participants agree to a small extent the usage of Focus strategy. The average survey response rate is 3, 7027, and the most common response is 4 – I agree. Standard deviation is not high, 0, 845. The Coefficient of variation of 22% shows that this is a homogeneous group response. The least rated generic strategy in this case was Differentiation strategy. Participant, to small extent, use the Differentiation strategy which is export orientated. The average survey response rate is very low, 2, 6886, as well as the most common response is 2 – disagree with the statement. Standard deviation is 1, 00599, and is acceptable. The coefficient of variation shows that this is a homogeneous group response. In the following part, by applying the t-test, it is analysed whether exists significant statistic difference in generic strategies, and which of the mentioned strategies is used for export of production goods in Bosnia and Herzegovina.

**Table 14.** Comparing the existence of differences using t - test Differentiation and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Differentiation Strategy | 1.64865 | 1.51321 | 6.627 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation strategy and Cost leadership strategy, i.e. there is a statistic difference in using generic strategies in the goods export. Managers and owners prefer Cost leadership strategy and believe that it is more applicable in the export of local products.

**Table 15.** Comparing the existence of differences using t - test Focus and Cost leadership strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Cost leadership strategy – Focus Strategy | .59459 | 1.01268 | 3.571 | 36 | .001 |

Source: Author analysis in statistical program SPSS 20.

 P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Focus strategy and Cost leadership strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export. Managers and the owners share the opinion that Cost leadership strategy is largely used in the export of local products intended for export.

**Table 16.** Comparing the existence of differences using t - test Differentiation and Focus strategy

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Difference compared** | **Test** | **difference** | **Sig.****(2-way)** |
| **Difference of arithmetic mean** | **Standard Deviation** |
| Pair 1 | Differentiation strategy – FocusStrategy | -1.05405 | 1.31119 | -4.890 | 36 | .000 |

Source: Author analysis in statistical program SPSS 20.

P = 0, 000 < 0, 05, therefore it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation and Focus strategy, i.e. these strategies are not similar for managers and owners of production enterprises engaged in export, and they are not used to the same extent in the export of local products. In this case, Differentiation strategy is more applicable. Analysis of data obtained shows that the generic strategy mostly used for export companies in Bosnia and Herzegovina is Cost leadership strategy. In all statements set, in the above part of the paper, Cost leadership strategy is the most persuasive one, with a score of participants of more than 4.3, which is extremely high. It can be concluded that generic Cost leadership strategy gives competitive advantage to production enterprises abroad, primarily, because of cheap labour, and in this segment Western world can hardly compete with local producers. This becomes their opportunity for building a competitive advantage which is highly proved by this research. Besides the Cost leadership strategy, the following strategy preferred by local producers is Focus strategy. Responses obtained have given the results showing that Focus strategy is less used than Cost leadership strategy, but it has certainly found its implementation in BH producers which are export orientated. Of all analysed strategies, differentiation strategy is the least used. Managers and the owners disagree that Differentiation strategy has got a decisive role in the international market for BH producers. Differentiation strategy rate is largely smaller than rat of the previous two generic strategies. It is important to emphasize that, during the analysis, due to thorough examination of average value, values of mode and median are determined. The reason is the small sample (under 50 observations), and arithmetic mean sometimes shows incorrect data, therefore the mode and median are determined. In the previous question, mode and median are improved and confirmed the arithmetic mean obtained. During the analysis, t-test is used as well, and it shows whether a significant statistic difference exists between tested strategies in the same research area. It is important to emphasize the existence of significant statistic difference between the strategies in the same area, which is explained in the above part of this paper.

**CONCLUSION**

This research scientific article provides an explanation of the concept of corporate entrepreneurship and the importance of applying entrepreneurial strategies in the business of contemporary enterprises. Contemporary entrepreneurship in the circumstances of uncertain global business environment is directed towards finding the best ways of organization which is extremely demanding task. A prerequisite for competitiveness and excellence of entrepreneurs of 21st century involves creating specialized teams, minor and flexible enterprises, team networking and coordination using information and communication technology, reduction of hierarchical levels and democracy in business decision making, increase of employee autonomy and independence in decision making, concentration on excellence in business and core competencies, outsourcing of business activities, continuous investment in skills and education, creating partnerships with suppliers and customers, monitoring, evaluation and measurement of results. Analysing data collected from 37 managers and owners of production enterprises engaged in exporting, it can be concluded that the strategy largely contributing to creating a positive export policy in BH is a generic Cost leadership strategy. Participants partly agree that Focus strategy contributes to creating positive export capacity in Bosnia and Herzegovina. Therefore it can be concluded that there is no significant statistic difference between the response of manager and owner regarding the Differentiation strategy and Focus strategy, i.e. these strategies are similar for managers and owners of production enterprises engaged in export. Moreover, it can be concluded that there is a significant statistic difference between the response of manager and owner regarding the Differentiation strategy and Cost leadership strategy, i.e. these strategies are different for managers and owners of production enterprises engaged in export. As described, managers and the owners prefer Cost leadership strategy since it contributes to creating a positive export policy in Bosnia and Herzegovina. A significant statistic difference exists between the response of manager and owner regarding the Focus strategy and Cost leadership strategy, i.e. these strategies are different for managers and owners of production enterprises engaged in export and they differently contribute to creating export policy. The analysis of data collected show that surveyed managers and owners of production enterprises engage in export strongly agree that Cost leadership strategy largely increases export capacity of BH enterprises. Participants agree to a small extent that Differentiation strategy is contributing to export capacity of production enterprises. Participants agree that Focus strategy largely increases export capacity of BH enterprise. The average survey response rate is 3, 7838, which is a minor value comparing to Cost leadership strategy, and larger than Differentiation strategy. Analysis of data obtained showed that generic Cost leadership strategy is the most applicable strategy for export enterprise in Bosnia and Herzegovina. In all statements set, in the above part of the paper, Cost leadership strategy is the most applicable one, with a score of participants of more than 4.3, which is extremely high. It can be concluded that generic Cost leadership strategy gives competitive advantage to production enterprises abroad, primarily, because of cheap labour, and in this segment Western world can hardly compete with local producers. This becomes their opportunity for building a competitive advantage which is highly proved by this research. Besides the Cost leadership strategy, the following strategy preferred by local producers is Focus strategy. Responses obtained have given the results showing that Focus strategy is less used than Cost leadership strategy, but it has certainly found its implementation with BH producers which are export orientated. Of all analysed strategies, Differentiation strategy is the least used. Managers and the owners disagree that Differentiation strategy has got a decisive role in the international market for BH producers. Differentiation strategy rate is largely smaller than rate of the previous two generic strategies.

**REFERENCES**

1. Aaker D., Strategic Marketing Management, John Wiley and Sons, 2001.

Barringer, B.R., Ireland, R.D., Entrepreneurship, Pearson Education, New Jersey, 2008.

1. Cvetinović M., Managerial economics, University Singidunum, Belgrade, 2009.
2. Dees, Lumpikin, Eisner, Strategic management, Delta status, Belgrade, 2007.
3. Domazet A, The Strategy of export promotion, Institute of Economy Sarajevo, 2006.
4. Mašic B. at. all, Management: Principles, concepts and procedures, Belgrade, 2010.
5. Mathis, R. L., Jackson, J. H. Human Resource Management: Essential Perspectives. 3th edition. Mason : South-Western College Pub., 2004.
6. Marković, M., International marketing. Split, Logos, 1994.
7. Mencer, I., Strategic management and business policy. Vitagraf, Rijeka, 2003.
8. Omazić, M., Baljkas, S., Project Managment, Sinergija nakladništvo, Zagreb, 2005.
9. Osmanagić-Bedenik N., Operational plan, Školska knjiga, Zagreb, 2002.
10. Previšić, J.; Ozrešić Došen, Đ., International markting. Zagreb, Masmedia, 1999.
11. Pupavac, D. Ethics Management. Rijeka: Veleučilište, 2006.
12. Rajkov M., Sajfer Z., Human side of management, FON, Beograd, 1996.
13. R. Duane Ireland, Robert E. Hoskisson, Michael A., The management of strategy: concepts and cases / Hitt. 9th ed., international ed.  South-Western, Cengage Learning, 2011.
14. Robbins S., Dupree J., Organizational Behavior: instructor′s resource manual, Prentice Hall, 2001.
15. Stacey, R. D. Strategic management and organizational dynamic, Mate, Zagreb, 1997.
16. Sikavica P. & Bahtijarević-Šiber F., Managment, Masmedia, Zagreb, 2012.
17. Sikavica, P., Organisation., Školska knjiga, Zagreb, 2011
18. Sendić R. Market entry strategies, Sarajevo, 2010.god.

Stopford, J.M., Baden-Fuller, C.W.F., „Creating corporate entrepreneurship“, Strategic management journal, Vol. 15, 1994.

 22.Thompson, Jr. A, A. J. Strickland III, John E. Gamble. Strategic management in

 pursuit of competitive advantage - theory and case studies, Mate, Zagreb, 2008.

1. *Primljeno: 01.06.2016; Prihvaćeno:18.07.2016 Submitted: 01-06-2016; Accepted: 18-07-2016*

**\* Dr. sc. Fahrudin Fehrić**, vanredni profesor, Fakultet poslovne ekonomije, Sveučilište “Vitez” u

 Vitezu, Bosna i Hercegovina; e-mail: fahrudin.fehric@unvi.edu.ba,

 **Sanja Zekić**, doktorant Fakulteta poslovne ekonomije Sveučilišta „Vitez“ u Vizetu, viši

 asistent; e-mail: sanjaz13@gmail.com,

 **Dr. sc. Kemo Čamdžija**, potpredsjedavajući Vijeća naroda Republike Srpske; e-mail: kemo.

 camdzija@live.com

. [↑](#footnote-ref-1)