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# **Planning, Innovation, Survival: Experience of Ukrainian Retail Businesses**

**Abstract.** This article is devoted to analysing strategic approaches the Ukrainian entrepreneurs use to adapt to and survive in the conditions of the Russian military invasion. The paper evaluates the main challenges that retail businesses face under constant threats and risks, including disruptions in logistics chains, demand instability, changes in consumer behaviour, financial risks, and the urgent need for innovations and strategic decisions that affect businesses and human lives. Special attention is paid to the analysis of the financial stability of enterprises during the full-scale war, taking into account key performance indicators such as profitability, liquidity, and cost optimisation, which are crucial for maintaining competitiveness. In addition, the article covers the role of process automation, the transition to omnichannel business models, and increased customer focus in new market realities. The authors propose a number of recommendations with a view to improving the sustainability of enterprises in the long term, in particular by expanding digital sales channels, ensuring greater flexibility in supply chains (e.g. through developing partnerships), and improving operational efficiency.

**Keywords:** planning, innovation, sales networks, crisis management, strategic development, competitiveness, logistics, financial sustainability

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## **1. Introduction**

The history of the world economy demonstrates that major economic and military crises have always had a considerable effect on business processes. Faced with crisis events, all large businesses (such as retail networks) have been forced to adapt, implement new strategies, and seek ways to survive and keep developing.

The experience of overcoming such crises helps us understand what approaches were effective in the past and what lessons can be applied in Ukraine today.

Ukraine's economic landscape has undergone significant changes since the start of Russia's full-scale invasion of Ukraine in February 2022. The war has had devastating consequences for various sectors of the economy, including large businesses, which are one of the key components of the national economic system.

Large retail networks, which usually play an important role in maintaining trade and economic stability, have been forced to rapidly adapt to radically new conditions. These unprecedented challenges are accompanied by logistical obstacles, reduced purchasing power, the destruction of infrastructure, all of which contribute to general economic instability.

This study aims to demonstrate how the impact of the global war brings about changes in the managerial strategies of large businesses, which are forced to reorganise their supply chains, review their business models, and apply new methods to ensure business viability during the war. Large enterprises have had to maintain operations and quickly adapt to and grow under conditions in which traditional business practices and decisions become ineffective.

## **2. Literature Review**

Many studies describe the impact of crises on businesses and the economy; in fact, the problem of business management during a war has been the subject of research in various academic fields. Common topics of interest include adaptation strategies, financial sustainability of enterprises, supply chain management, and innovative approaches to maintaining competitiveness during a war. Let us briefly list some of these studies.

General principles of crisis management, including political and social aspects, are considered in the study of Boin et al. (2005). Doern et al. (2019) discuss adaptive strategies for the survival and growth of small businesses using the example of economic crises. Research on the impact of military conflicts on business based on practical experience in conditions of instability can be found in Leblebici and Salancik (1981), who examine how war affects business structure and performance and identify various adaptive changes introduced by businesses. Economic consequences of civil wars, including their impact on the business environment and the survival strategies of enterprises, are analysed by Sambanis and Shayo (2013). Some scientific studies focus specifically on adaptation strategies, for example, Cavallo et al. (2013). Although their study focuses

primarily on natural disasters, its findings can be applied to wartime situations when businesses and a country's economy try to recover after a devastating crisis. Barney (1991) describes the resources necessary for an enterprise to remain competitive during a crisis.

Another strand of research highlights general trends and examples of business adaptation in times of crisis, with emphasis on economic crises and military conflicts, especially for trading companies. Fiksel et al. (2015) investigate how companies, including retail networks, adapt their strategies to become more resilient to turmoils. Christopher and Peck (2004) examine supply chain management in times of crisis, which is especially relevant for large trading companies. Sheffi (2005) describes how companies, including large retail networks, can use managerial strategies to overcome vulnerabilities and gain competitive advantage during crises. Ivashina and Scharfstein (2010) analyse how the economic crisis affects companies' access to financial resources, which may be relevant for trading companies.

Gulati et al. (2010) describe strategies which companies should use to successfully exit recessions, including supporting operations in retail chains. Pal et al. (2014) present an empirical study of Swedish textile and clothing SMEs to analyse how businesses adapt their strategies during economic crises. Reeves and Deimler (2011) examines the importance of adapting businesses, including trading companies, during a crisis to maintain competitiveness.

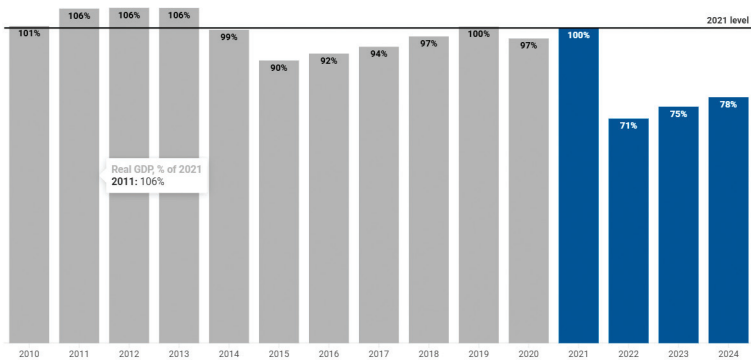


Fig. 1. Ukraine's GDP in 2010–2024

Source: Ukraine War Economy Tracker (2024)

Modern Ukrainian research also addresses this important topic. For example, the Centre for Economic Strategy (CES) regularly publishes articles and reports as well as updates Ukraine War Economy Tracker with interactive charts and ex-

perts' comments (Ukraine War Economy Tracker, 2024). This economy tracker is a more concise format of the monthly research on the state of Ukraine's economy which CES has been releasing since the beginning of the full-scale invasion. The sections are periodically updated to contain the most relevant information. For example, above (Fig. 1) is the latest GDP chart. It shows that Ukraine's GDP is still over 20% lower than in 2021.

As can be seen, after shrinking by 28.8% in 2022, the economy rebounded with a 5.3% growth in 2023. For 2024, projected growth rates range from 3.4% (National Bank of Ukraine) to 3.6% (Ministry of Economy), with some estimates reaching 4% year-over-year. However, the pace of economic recovery is gradually slowing down. Each quarter of 2024 saw a weaker growth compared to 2021 than was observed in 2023. The recovery remains constrained by ongoing security challenges, a shortage of skilled labour, and Russian attacks on the energy infrastructure. Additionally, in 2023, GDP growth was significantly influenced by a low base effect following the sharp decline of 2022, as well as a surge in public spending, which in 2024 is expected to stabilise as a wartime norm. The following figure (Fig. 2) shows us business and consumers' expectations, which is crucial for our research.

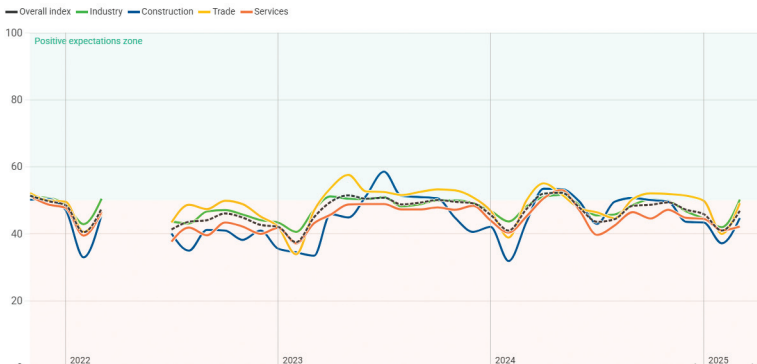


Fig. 2. The Business Expectations Index in 2022–2025  
Source: Ukraine War Economy Tracker (2024)

In January, the Business Expectations Index dropped to 41 from 45.9 in December, remaining below the neutral 50-point level, indicating prevailing negative sentiment across all sectors. Key concerns included security risks, energy demand, and labour shortages.

Meanwhile, the Consumer Confidence Index rose to 75.6 points, though it was still below the 100-point threshold, signalling ongoing cautiousness. The Economic Expectations Index reached 87.4, while the Current Situation Index stood at 57.9, marking the first improvement in self-assessment since late summer.

Initially, wartime optimism led to high consumer expectations despite economic hardship, but this trend gradually faded. However, in late 2024, expectations for the future improved while perceptions of the current situation declined, possibly influenced by Donald Trump's U.S. election victory and hopes for an end to the war.

Other interesting studies published by CES include an online discussion by Hlib Vyshlinsky (2025), Executive Director of CES, on whether the financial cushion should be redirected toward defence to improve battlefield conditions and what aspects should take priority: weapons, drones, or additional payments for recruits?

A study entitled "How the war in Ukraine is changing the economic and business landscapes of countries, regions and the world", Galiani, S. (2023), contains a number of infographics and calculations provided by Forbes Ukraine based on budget data from the Ministry of Finance, open data from the State Customs Service and estimates produced by the Demography Institute.

In their article, Oleksandr Kharchenko, Director of the Energy Research Centre, and Ruven Stubbe, energy economist at Berlin Economics, try to answer the question about How the Ukrainian economy can withstand new energy attacks (Kharchenko and Stubbe, 2024).

All these sources illustrate the main challenges and strategies used to support businesses during military conflicts and are used as the basis for the following detailed analysis of business adaptation strategies during crisis conditions, with a special focus on trading companies and their specific challenges and business solutions.

### **3. Methods and Data**

The purpose of the following study is to analyse the impact of the war on the management of large Ukrainian retail networks, identify the key challenges, and assess the effectiveness of adaptive strategies used to overcome these challenges. The authors also identify promising areas for the growth of large companies to ensure their stability in complex conditions. The analysis is based on the review of the relevant literature and open statistical data published online. The impact of crisis conditions (war) on the activities of commercial enterprises in Ukraine is assessed by analysing three kinds of data:

#### **a. quantitative data:**

- ▷ statistical data on the financial performance of large retail networks before and after the invasion.

- ▷ company reports and open-source publications that reveal the impact of the war on their activities.
- b. qualitative data:**
  - ▷ interviews with representatives of the management of large retail networks to collect information about adaptation strategies and their short- and long-term effectiveness.
  - ▷ publications and expert articles highlighting general trends and examples of business adaptation in times of crisis.
- c. comparative analysis:**
  - ▷ a comparison of Ukrainian retail business approaches to adaptation with the experience of international companies that worked during crises in other countries.

## 4. Research Results

Since the beginning of Russia's full-scale invasion of Ukraine in 2022, major retail chains have faced unprecedented challenges: destroyed infrastructure, disruptions in supply chains reduced purchasing power and threats to the lives of employees. But this is not the first time the world has seen terrible consequences of human nature, and as in many cases before, people adapt and try to survive, no matter how difficult it is.

Effective business management in the context of armed conflicts is crucial to ensure its survival, adaptation and further development. All of these are usually among the tasks of management, the main goal of which is the effective organisation of the production of goods and services taking into account consumer demand based on available material, financial and human resources, providing the profitability of the enterprise, its stable position in the market.

**Profitability** is a rather complex economic category, not only as regards its interpretation, but also, in most cases, because of various, and sometimes ambiguous, indicators used to assess it. This raises new questions when attempts are made to determine the profitability index (Moskalenko, 2013). It can be said that profitability is a general indicator of an enterprise's economic efficiency because it reflects the efficiency of the resources of the industry consumed by production — labour, land, material, the level of management and organisation of production, the quantity, quality and results of product sales, as well as the possibility economic stimulation of employees. Profitability gives an idea of the sufficiency or insufficiency of profit compared to other individual values that affect production levels, sales and a certain company's financial and economic activities.

Taking into account all of the above, we can define **profitability** as an indicator that characterises the effectiveness of the profitable activity of an enterprise under market conditions. Profitability reflects the significance of selected systems, models, and management methods in the process of functioning of a commercial enterprise.

Considering the multi-element system of profitability indicators, the assessment should be carried out using the indicators listed in Table 1, which are used to analyse the financial and economic activities of retail enterprises. It demonstrates the main tools for analysing the profitability of enterprises operating in the retail market. The higher the values, the more efficiently the company's assets are used to generate profit. Each indicator has its specifics and significance, which allows an enterprise to have a comprehensive assessment of the efficiency of resource management and its profitability.

Table 1. Profitability indicators of trading enterprises

Index	Formula	Description
Return on assets (ROA)	$\text{Net Income} \div \text{Total Assets}$	Shows how much profit each unit of a company's assets generates.
Return on equity (ROE)	$\text{Net Profit} \div \text{Equity}$	Measures a company's return on equity. A high value of the indicator means that the company is using shareholders' capital efficiently.
Return on sales (ROS)	$\text{Operating Income} \div \text{Revenue}$	Measures what proportion of revenue remains as net profit after all expenses. Shows how effectively a company controls costs in generating revenue.
Operating ROA	$\text{Operating Income} \div \text{Assets}$	Shows the efficiency of using assets to generate operating profit.
Return on investment (ROI)	$(\text{Investment Profit} - \text{Investment Cost}) \div \text{Cost of Investments}$	Measures the return on investment in a business, such as new projects or equipment. Used to assess the effectiveness of investment decisions.
Return on Cost (ROC)	$\text{Net Operating Income} \div \text{Total Project Cost}$	Shows the efficiency of using working capital to achieve profitability.
Return on Capital Employed (ROCE)	$\text{Operating profit} \div (\text{Equity} + \text{Long-term liabilities})$	Measures a company's return on all sources of capital (equity and debt). Shows how effectively a company uses its total capital to generate operating profit.
ROA after tax	$\text{Net Income after Tax} \div \text{Average Total Assets} \times 100\%$	Evaluates the efficiency of using a company's assets, taking into account tax liabilities. Takes into account the company's real profitability after taxes.
Return on total capital (ROTC)	$\text{Net Profit} \div \text{Total Costs} \times 100\%$	Measures a company's profitability relative to its total costs. It shows how efficiently a company generates profit from every unit of cost incurred.

Source: Created by the author

As a way of comparing and analysing different strategies, let us look at some examples of past economic and military crises:

**a. 1970s Energy Crisis**

Global trade networks experienced significant challenges during the energy crisis caused by OPEC oil export restrictions. This crisis forced large companies to change their supply strategies, reduce costs and invest in energy-efficient technologies. For example, some companies in Europe and the United States implemented new logistics models to minimise the costs of transporting and storing goods.

**b. The 2008 financial crisis**

Big businesses, particularly retail chains, faced a sharp decline in consumer spending and access to loans. During this period, major players, such as supermarket chain Walmart, focused on improving the efficiency of their operations, implementing cost-saving programs, and improving supply chain management. This allowed them to remain competitive and ensure stable sales during the economic downturn.

**c. Military crises of the late 20<sup>th</sup> century**

Large companies should adjust risk management strategies during armed conflicts, such as the Gulf War (1990–1991). For example, companies involved in the supply of petroleum products and food products quickly developed alternative routes for transporting goods to avoid active combat zones.

▶ Supply chain disruptions

The severe destruction of Kuwait's oil infrastructure significantly reduced production levels, triggering a rise in global oil prices. Businesses had to promptly devise alternative logistics solutions and sourcing methods to bypass conflict zones and areas with damaged infrastructure (Archer et al., 1990). This often required adjusting transportation routes and securing new suppliers to maintain an uninterrupted flow of goods.

▶ Rising operational expenses

The necessity to reorganize supply chains and the increased risks of operating in war-affected regions resulted in higher transportation expenses and insurance costs (General Accounting Office, 1991). Companies either had to absorb these additional financial burdens or transfer them to consumers, impacting overall profitability and pricing policies.

▶ Strategic inventory reserves

According to International Monetary Fund report (2014), to counteract potential supply shortages, some firms expanded their stockpiles of essential products. For example, Kuwait's long-term strategy of maintaining a six-month food reserve



became vital during the seven-month occupation, ensuring temporary stability and allowing time to establish alternative distribution networks.

► **Adapting to market changes**

The conflict brought about notable shifts in consumer demand and purchasing behaviour. Businesses had to respond by modifying their product lines and seeking alternative markets. The destruction of local food production facilities in Kuwait, for instance, necessitated an increased dependence on imported goods, altering both market conditions and consumer choices (Swaidan, 2002).

These adaptive strategies underscore the critical role of flexibility and resilience in business operations during wartime. Companies that swiftly restructured their logistics, adjusted supply chains, and adapted to evolving market conditions were better equipped to manage the economic difficulties brought on by the Gulf War.

Examples of past crises show that business sustainability is ensured through adaptability, effective risk management and an innovative approach to doing business. In modern war conditions, these approaches become the basis for the survival and further development of retail chains in Ukraine. Thus, at the beginning of the war, the key tasks for Ukrainian business were:

**1. Ensure the safety of personnel and facilities:**

Many chains have decided to temporarily close stores in regions affected by active fighting. For example, the ATB-Market or simply ATB (Ukrainian: ATB-Маркет) chain has focused on ensuring the safety of its employees, evacuating staff, and creating new jobs in safer regions.

**2. Adapt logistics chains:**

Restructuring supply and expanding warehouses in the western regions have become a priority for many chains. According to the Ukrainian Chamber of Commerce and Industry, in 2022, 60% of companies in the retail sector moved their main logistics hubs to the west of the country, which allowed them to save up to 70% of supply volumes in the first months of the war (Symonenko, 2023).

**3. Maintain economic stability:**

Ensuring access to essential goods has become a priority. Chains such as Silpo (from Ukrainian: Сільпо), VARUS, and others have created emergency funds to purchase strategically important products, preventing shortages on shelves.

Most Ukrainian retail chains did not have detailed crisis plans before the full-scale war began, as the scale of the conflict was unprecedented. However, some companies had general crisis management protocols, which allowed them to adapt more quickly.

It should be added that in the first months after the invasion, demand for products fluctuated significantly, which led to unstable sales revenue. In particular, there was a sharp decline in enterprise sales due to the evacuation of the population, a decrease in consumer solvency, and a change in consumer priorities. For example, the Innovation Development Centre and the Advanter Group Strategic Agency within the framework of the national project Diia.Business (Ukrainian: Дія.Бізнес), conducted the 9<sup>th</sup> wave of business research in Ukraine during Russia's full-scale military aggression against Ukraine. The study was prepared within the framework of the Initiative for Economic Recovery, Entrepreneurship Development and Exports of Ukraine. The survey was conducted from 9<sup>th</sup> to 17<sup>th</sup> of November, 2022 and involved 504 owners and CEOs of SME enterprises. (Diia Business, 2022). According to the survey, in November 2022, i.e. 9 months after the start of the invasion, 31.7% of enterprises had completely, or almost completely, stopped working since February 24. This is the lowest figure since the beginning of the surveys in March, in particular, in April 55.9% of enterprises did not work partially or completely, in June — 46.8% of enterprises, and in September — 33.8%. In November, 9.4% of enterprises indicated an increase in the volume of work compared to the pre-war period, which is the largest figure since the beginning of the survey in March. At the time of publication of the survey, it was noted that the share of such enterprises began to increase.

Regarding personnel, according to the same survey, businesses in Ukraine began to recall employees and create new jobs during this period. The share of personnel (relative to 23.02) in November decreased to 24.5% (in September this figure was 28%), but it is higher than the figure in June (20%). In total, as of November, 1.155 million employees were laid off, which is less than the figure in September.

All these, and many other indicators, directly affect ROS, as enterprises were forced to reduce prices or increase costs for logistics and security, which constantly reduced the overall level of profitability of sales. In such conditions, a shortage of working capital may arise, which affects the ability of the enterprise to maintain business continuity and generate profit, respectively, the profitability of working capital decreases. All this led to a decrease in operating profit and, accordingly, to a decrease in the profitability of operating activities.

#### 4.1. ATB-Market<sup>1</sup>

According to a study by the Ukrainian Retailers Association (Zaitsev, 2023), compared to the pre-war year of 2021, Ukrainian retailers in 2022 reduced their revenue by almost UAH 300 billion — from UAH 1.44 trillion to UAH 1.16 trillion, or about 20%. The occupation of significant territories, looting, shelling of peaceful cities, constant air raids and blackouts hit trade companies hard. Importantly, revenue fell even despite inflation, which in 2022 amounted to 26.6%. That is, the actual turnover of retailers fell much more. At the same time, UAH 150 billion of the total turnover of retail chains fell to the leading chain in Ukraine — ATB Corporation.

It is impossible to prepare for war 100% of the time. However, in 2014, the ATB network experienced the annexation of Crimea and the occupation of Donetsk and Luhansk regions, so the company clearly understood what to pay attention to. In an interview with *The Kyiv Independent* (Mishchenko, 2023), the CEO and Chairman of the Board of Directors of ATB Corporation, Mr Boris Markov, said: “We have developed mechanisms for switching to manual control for rapid response to circumstances and delegation of authority, which significantly speeds up the necessary decision-making processes”. Markov also said that ATB had to decentralise supplies to some extent and introduce three types of assortment due to the war:

- ▶ in relatively calm regions, this is the usual 2.5–3.5 thousand items;
- ▶ in the areas closest to the contact line, there are about 1,500–1,700 units;
- ▶ in settlements where hostilities are continuing, a “military” assortment is used, which includes 400–500, essential products and goods.

Thus, despite the challenges, the ATB supermarket chain quickly rebuilt its logistics, creating new supply routes and redirecting product flows to safer regions. The company also opened additional logistics centres in the western regions of Ukraine, which ensured the preservation of supply chains during active hostilities.

It is also worth noting that ATB Corporation increased its turnover in 2024 by 15%, to UAH 248.3 billion, and the company’s investments in 2024 reached UAH 15 billion, which is 25% more than in 2023 (ATB Corporation, 2024b).

Before the full-scale invasion, the ATB chain had 1322 stores. Having passed severe tests in the first months of the war, when logistics chains were disrupted, sea routes blocked imports, and panic reigned among manufacturers, carriers,

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<sup>1</sup> One of Ukraine’s largest retail enterprises, founded in 1993 in Dnipropetrovsk.

etc., the ATB chain managed to stay afloat. After the invasion, 31 retail outlets were destroyed, and 79 remained in temporarily occupied territories. At the same time, the retailer opened 47 new stores in 2024 and renovated 11 more. As of now, at the beginning of 2025, the ATB chain has 1259 operating supermarkets.

Among other things, according to the head of the retailer's corporate communications department, Mr Serhiy Demchenko, the corporation has equipped 1200 ATB stores with generators, which is 98% of the network. Another 180 are under construction. Over the past two years, the company has invested more than UAH 700 million in this area.

At the same time, for many years in a row, ATB has been among the ten largest taxpayers of Ukraine. Even in the first year of the full-scale invasion, the company paid UAH 20.44 billion in taxes and fees, which was about half of the budget revenues from all domestic retail. Before that, in 2021, when Ukraine faced the severe economic challenges of the COVID-19 pandemic, the ATB group of companies paid UAH 19.45 billion in taxes and fees, compared to UAH 15.8 billion in 2020. In 2024, the ATB group paid UAH 28.61 billion in taxes and fees, including customs payments and the Unified State Tax, compared to UAH 19.45 billion in 2023. Of this amount, according to the data published by the company, UAH 18.61 billion was sent to the state budget in 2024, the budgets of communities where the ATB network is present and the corporation's divisions received revenues of UAH 6.52 billion. ATB transferred UAH 3.48 billion to state trust funds (ATB Corporation, 2024a)

Annually increasing its tax contribution to the domestic economy and holding positions on the humanitarian front, "ATB" is also a reliable point of support for Ukrainian defenders and society in general. I would like to note that ATB Corporation employs 56 000 people, of which the company created more than 3500 jobs in 2024.

## **4.2. Rozetka**

Rozetka is the largest online retailer in Ukraine. In 2023, it received revenue of UAH 45, and according to SimilarWeb, the platform's traffic reached 398.5 million visits (Forbes Ukraine, 2024). The leading electronics and household goods retailer quickly adapted, opening new warehouses in the western part of the country and neighbouring European countries. Thanks to this, the company was able to maintain a stable level of customer service even in difficult conditions.

It is worth noting that in 2024, more than half of the Rozetka marketplace customers chose products from Ukrainian manufacturers. Sales of domestically produced goods increased by almost 35% compared to pre-war 2021. In 2024, the

number of Ukrainian brands on the platform increased by almost 3000, exceeding 12 500 brands. The leaders among Ukrainian goods in terms of sales growth last year were **power banks**, whose sales increased by 200%. **Thermal products** came in second place, showing growth of over 123%. **Yoga products** took third place (+96%). Spices and seasonings, as well as table lamps of Ukrainian production, were also in demand, showing a sales growth of 66%. All this is usually associated with blackouts due to constant missile attacks by Russian occupation forces on the country's energy infrastructure.

Despite constant threats and risks, the company continues to expand. Thus, in 2023, the Rozetka.Offline network had 523 stores of various formats in 155 cities, and in 2024, Rozetka opened an additional 74 new offline stores in 35 cities across the country.

### 4.3. VARUS

To remain competitive, the company has been proactively implementing changes to its operational processes. VARUS has improved its digital services, focusing on online ordering and delivery, which has helped minimise losses due to store closures in dangerous regions.

In 2023, the company's total revenue grew by 20% and amounted to UAH 17.5 billion. For comparison, in 2022 this figure was about UAH 14.6 billion. At the same time, the company's net profit increased by 1.7 times — to UAH 200 million. This makes the VARUS chain one of the undisputed leaders in terms of profit among retail companies.

In recent years, paying taxes by businesses has become not only a legal requirement. It is also a way to demonstrate your support for the state in difficult times. The retail business remains one of the main taxpayers in Ukraine. In 2023, leading companies in the industry paid more than UAH 28 billion in taxes, including personal income tax, military tax, and social security contributions. Increasing sales volumes and developing the network have allowed VARUS to make a significant contribution and support the Ukrainian economy. Thus, in 2023, the company paid about UAH 1.1 billion in taxes and fees to the state budget. For comparison, in the first half of 2024 alone, the VARUS supermarket chain paid UAH 700 million in taxes and fees to the state budget (Symonenko, 2024).

Since the beginning of the full-scale invasion, the VARUS supermarket chain has been supporting the Armed Forces of Ukraine and humanitarian projects. Since 2022, the company has transferred a total of about UAH 40 million to support the Armed Forces of Ukraine and other charitable initiatives, including assistance to IDPs, orphans, stray animals, and more.

The company primarily facilitated the evacuation of its employees from regions where active hostilities were continuing and provided them with new jobs. Internally displaced persons are employed in all cities where VARUS stores operate. In Dnipro alone, more than 500 internally displaced persons have found work in the retail chain. New employees are offered a variety of positions — from cashiers, loaders and cooks to administrators and managers. In addition, the company provides an opportunity to change their professional direction and undergo retraining, for example, by moving from the position of cashier to baker. The VARUS network not only helps displaced persons find employment but also helps them adapt to new conditions, offering support in evacuation, finding housing and financial compensation (Mind.UA, 2024).

The VARUS chain continues to work to provide Ukrainians with high-quality and affordable goods. This is one example of conscious Ukrainian business, thanks to which, from the first days of the full-scale invasion, jobs have been created for thousands of internally displaced persons and the Ukrainian economy is receiving strong support.

#### **4.4. EVA**

The EVA chain of perfume and cosmetic stores ensured an uninterrupted supply of goods through cooperation with international partners and relocation of logistics processes to the western regions. According to the CCI report, in 2023 EVA increased the share of Ukrainian-made goods, which allowed to stabilise supply chains. Despite the losses caused by the full-scale Russian invasion, EVA was able to strengthen its position in the market. The company not only restored damaged stores but also continued to expand its network. If in 2022 the retailer opened 26 new stores, then in 2023 — already 58, and in 2024 — 65 (Interfax Ukraine, 2023).

At the same time, some stores had to be closed due to moving to more spacious premises located nearby, sometimes even in the same shopping centre. In addition, the company was forced to stop operating 10 stores in regions where active hostilities are ongoing, as well as close two facilities in Kherson due to unprofitability caused by the outflow of the population. Despite this, EVA ended 2024 with positive results: the total growth of the network, even taking into account the closure of outlets, amounted to 50 new stores. The customer base has grown by almost half a million buyers, and the number of orders through the online store has increased by 80% in nine months compared to the same period last year.

To increase efficiency, the company continues to actively invest in the development of logistics and the modernisation of warehouse capacities. Next to the Lviv warehouse, construction of a new section with an area of 9 thousand sq. m for

e-commerce needs is underway, and the warehouses in Brovary and Lviv are expanding due to the introduction of mezzanine structures. In September, an e-commerce hub was launched in Dnipro. In addition, the Put to Light system was introduced in the offline network warehouses, which allows the company to dump the use of collection terminals. Additionally, it accelerates the adaptation process of new employees and increases productivity. In 2023, after a forced pause, the company resumed the project to build a logistics hub in Odessa, and material procurement and preparatory work are ongoing.

In 2025, EVA plans to continue developing the strategic areas in which the company has invested in recent years. The network is expected to expand by 55–60 new stores, complete the first stage of the distribution centre in Lviv, and implement new logistics initiatives (Life.NV.UA, 2025).

As we can see, Ukrainian businesses face great challenges in maintaining their profitability and stability in conditions of high uncertainty, market instability, infrastructure destruction and changes in consumer behaviour. Disruptions in financial flows, falling operating profits and increasing costs to support activities lead to a decrease in overall return on capital. In addition, access to long-term capital may be limited due to increased risks, which negatively affects the overall return on capital. We can state that only effective risk management, fast adaptation to new conditions and global strategic planning are key elements for maintaining the profitability of enterprises in such conditions. Today, trade companies use integrated approaches to overcome the challenges of war:

1. Supplier diversification
2. By expanding the geographical distribution of suppliers it is easier to reduce the risks associated with disruptions in traditional supply chains.
3. Investment in digitalization
4. The use of online platforms and mobile applications allows chains to continue operating even when physical stores are closed due to the threat of hostilities.
5. Social support for employees and customers
6. Employee support programs, ensuring safe working conditions, and working with charities to help war victims are integral to modern strategies. Retail chains have implemented employee assistance programs, including evacuation and housing, which have contributed to the preservation of jobs and the stability of staff.



## 5. Conclusions

Implementing strategic development for enterprises may be difficult due to limited resources, uncertainty, increased government regulation, communication challenges, security issues, and potential threats to business reputation. However, provided that advanced and flexible strategies are implemented, focused on innovation, the establishment of productive partnerships, strict adherence to the legislative framework, high-quality communication, and constant monitoring and timely adjustment of action plans, enterprises will be able to confront the challenges of war. The experience of Ukrainian retail chains during the war shows that for the stable functioning of business in war conditions, the following are necessary:

- ▶ Flexibility in restructuring business models and adapting to new conditions.
- ▶ Long-term risk management plans, including crisis scenarios and action algorithms.
- ▶ Innovations in the field of digital technologies to improve customer service and optimise business processes.
- ▶ Support for personnel through training and security measures, ensuring high motivation and efficiency of the team.

As we see, the key to successful strategic progress of organisations lies in developing a detailed but flexible strategic plan that outlines the main areas of activity and goals, while remaining adaptable to changes in the external environment. Enterprises need to emphasise the implementation of innovations, the creation of stable partnerships, ensuring compliance with legislative requirements, maintaining an active dialogue with all stakeholders, and the ability to respond on time to current changes, adapting the strategic vision of managers.

It was the application of such strategies that allowed large retail chains in Ukraine to quickly adapt to new conditions, ensure stable functioning and even develop during the war, and minimise potential risks, opening up new prospects for further growth and increasing competitiveness in the market.

In order to achieve long-term development and growth, companies require a strategic vision, innovation, flexibility in adapting to changes as well as effective risk management strategies. Only when all these aspects are addressed can companies maintain their competitive position and ensure stable profits even in an unstable market environment.



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## **Planowanie, innowacja, przetrwanie: doświadczenia ukraińskich przedsiębiorstw w sektorze handlu detalicznego**

**Streszczenie.** Niniejszy artykuł przedstawia analizę strategicznych podejść stosowanych przez ukraińskich przedsiębiorców, aby dostosować się i przetrwać w warunkach rosyjskiej inwazji wojskowej. W artykule omówiono główne wyzwania, z jakimi mierzą się przed-

siębiorstwa handlu detalicznego w obliczu ciągłych zagrożeń i ryzyka, w tym zakłóceń w łańcuchach logistycznych, niestabilności popytu, zmian w zachowaniach konsumentów, ryzyka finansowego oraz pilnej potrzeby innowacji i decyzji strategicznych, które wpływają na przedsiębiorstwa i życie ludzkie. Szczególną uwagę zwrócono na analizę stabilności finansowej przedsiębiorstw w trakcie pełnoskalowej wojny, biorąc pod uwagę kluczowe wskaźniki efektywności, takie jak rentowność, płynność i optymalizacja kosztów, które są istotne dla utrzymania konkurencyjności. Ponadto omówiono rolę automatyzacji procesów, przejścia na wielokanałowe modele biznesowe i zwiększonego skupienia się na kliencie w nowych realiach rynkowych. Autorzy proponują szereg rekomendacji mających na celu poprawę długoterminowego zrównoważonego rozwoju przedsiębiorstw, szczególnie poprzez rozbudowę cyfrowych kanałów sprzedaży, zapewnienie większej elastyczności w łańcuchach dostaw (np. poprzez rozwijanie partnerstw) i poprawę efektywności operacyjnej.

**Słowa kluczowe:** planowanie, innowacyjność, sieci sprzedaży, zarządzanie kryzysowe, rozwój strategiczny, konkurencyjność, logistyka, stabilność finansowa

