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STRATEGIC ANALYSIS OF THE IMPACT OF THE CONSEQUENCES OF MILITARY ACTIONS IN UKRAINE ON THE ACTIVITIES OF BUSINESS SUBJECTS

The article explores the strategic analysis of the impact of military actions on the functioning of business entities in Ukraine. It highlights the relevance of the study, given the significant shifts in external and internal environmental factors caused by war, which affect not only current operations but also long-term development strategies. The research identifies key groups of war-related consequences that influence enterprises strategically, analyzes their effects on internal and external environments, and outlines major strategic decisions taken by Ukrainian business managers in response. The findings offer practical value for substantiating and implementing strategic changes in enterprise operations amid wartime challenges.

Keywords: strategy, strategic analysis, enterprise environment, enterprise environment factors, military actions, consequences of military actions, strategic changes.

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Statement of the problem in general form and its connection with important scientific or practical tasks. The military actions in Ukraine led to massive destruction and damage to infrastructure, in particular industrial facilities, factories and warehouses, etc. Enterprises that have suffered from military actions are facing significant problems in maintaining their activities, ensuring their continuity, planning for the future, etc. Along with this, the operating environment of such enterprises has also undergone significant changes, in particular the industrial infrastructure, supply network, the number and structure of consumers, which necessitates the review of the prospects for their operation in a strategic context.

Destruction and damage to production facilities, losses of technological equipment and raw materials significantly reduce the production potential of industrial enterprises. Some of them have lost the ability to carry out operational activities in the usual format, while others are forced to look for new models of organizing production, move equipment to safer regions, and optimize production processes. Another important challenge is the disruption of logistics chains: the transport infrastructure has been destroyed, some regions have become inaccessible, which significantly complicates the process of supplying both raw materials and finished products.

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In addition to physical losses, enterprises have found themselves in a new socio-economic environment. A significant part of the domestic market has been destroyed or has lost purchasing power due to population migration, falling income levels and general economic instability. At the same time, a need has been formed for new types of products and services caused by wartime conditions: this applies to both the defense sector and the energy, medicine and construction sectors. That is, enterprises must adapt their strategies, reorient production and seek new sales markets, including international ones.

The issue of sustainability and flexibility of business models is of particular importance. Traditional long-term development plans often lose relevance due to the high dynamism of the environment, so enterprises need to form scenario approaches to strategic planning. This involves taking into account the risks of military operations, relocation opportunities, access to financing and support from the state and international organizations. An important factor is digitalization, which allows partially minimizing the risks of physical losses, increases the transparency and efficiency of business processes, and promotes integration into global value chains.

Thus, military operations have become a critical factor in the transformation of industrial enterprises in Ukraine. They not only caused material losses, but also radically changed the conditions for the functioning of business, which requires a deep revision of strategic guidelines. To maintain competitiveness in the post-war period, industrial enterprises must actively implement innovative approaches to management, develop partnerships, and focus on modern standards of sustainable development and environmental safety. Only in this way will they be able not only to restore their positions, but also to ensure long-term stability and integration into the European and global economic space.

Analysis of the latest research and publications, which initiated the solution of this problem and on which the autho relies. The number of facts and the volume of damage or destruction of economic entities are dynamic and change daily. Analysis of the results of expert and scientific research on this issue [1, 2, 3] indicates a fairly significant scale of destruction, which has become catastrophic for many economic entities. Reports by international organizations such as the United Nations and the World Bank [4] emphasize the large-scale destruction of factories, warehouses and other industrial facilities due to military aggression. These facilities, which were once vital to the Ukrainian economy, have been put out of action, which has led to significant economic losses and disruptions in supply chains.

Sectoral scientific studies of damage from military actions are most deeply focused on such industries as manufacturing, energy and transport [5]. By assessing the damage caused to individual industries, scientists form an understanding of the problems that each sector faced after the military attack [6]. Particular attention has been paid to the energy sector: power plants, pipelines and distribution networks suffered perhaps the most damage, which led to electricity shortages and disruptions in the supply of heating during the cold season [7].

No less important are studies of the impact of damage to industrial facilities on the economy of Ukraine [8]. Scientists, using various assessment methods, in particular econometric models, the cost-benefit analysis method, have made the first attempts to quantify the size of economic losses associated with the destruction of infrastructure [9, 10].

The studies of Klochkivska V. O., Klochkivskiy O. V., and Tregubov O. S. [2] highlight the macroeconomic aspects of the restoration of small and medium-sized businesses in Ukraine, emphasizing the need for state support and the creation of a favorable investment climate. Erfan V. and Koltsov Y. [3] focus on the economic strategy for stimulating regions in the post-war period, emphasizing the importance of financial incentives and regional policy in rebuilding the economy. Riznyk D. V. [5] examines investment activity in Ukraine after the start of the full-scale invasion, analyzing the challenges and prospects for attracting capital. Honcharuk I. V.,

Sakhno A. A. and Chikov I. A. [6] assess the damage and losses of the Ukrainian economy, proposing scenarios for economic recovery. Kosaretskyi E., Sotnyk V. and Slyusarenko A. [8] study the impact of military actions on the national economy, in particular, assessing direct and indirect economic losses. Khoperskyi S. V. and co-authors [9] propose a model for the recovery of territories with critical infrastructure that have been destroyed, emphasizing the importance of strategic planning. Antoniuk V. [10] analyzes the tasks of modernizing Ukrainian industry in the post-war period in the context of global trends. In the context of strategic analysis, the works of Levyk I. S. [15], Pylypenko O. V. [16], Putsenteilo P. R. and Humeniuk O. O. [17], as well as Farion I. D. [18] are important, which highlight the methodology of strategic analysis and its role in making managerial decisions.

The above studies form a comprehensive approach to the strategic analysis of the impact of the consequences of military operations on the activities of business entities, combining economic, financial, investment and management aspects. Such an approach allows for a more holistic assessment of the nature and scale of the challenges faced by the business environment in the context of military operations, as well as to form tools to overcome them. In particular, the analysis process takes into account both direct material losses in the form of destruction of production facilities, infrastructure and logistics chains, and indirect consequences - the reduction of sales markets, the outflow of qualified personnel, and the reduction of the investment attractiveness of regions. This allows determining strategic guidelines for the development of enterprises in the new conditions, as well as predicting their opportunities for recovery and growth.

Highlighting the previously unresolved parts of the general problem to which the article is devoted. In general, the results of the analysis of literary sources on damaged industrial facilities in Ukraine indicate a significant impact of military operations on the country's economic infrastructure. The destruction of enterprises of the industrial complex creates a "chain reaction" effect: the loss of production capacity in one sector leads to disruptions in related industries, which intensifies crisis phenomena in the national economy. In addition, changes in the structure of production and consumption force enterprises to adapt to new operating conditions, form alternative supply chains, attract new financing channels and actively cooperate with international partners. Studies also indicate that without a proper strategic approach to the restoration of enterprises, the country's economic system may lose a significant part of its industrial potential, which will have long-term consequences for the development of the state. Despite its relevance, the issue of the impact of damage and destruction as a result of military actions on the functioning and development of economic entities in a strategic context remains insufficiently researched. Most scientific works focus on the analysis of direct losses, while less attention is paid to the long-term consequences for the investment climate, competitiveness in foreign markets, and opportunities for innovative development. This creates a gap between the practical needs of the economy and scientific developments, because modern conditions require a comprehensive strategic vision, which includes not only the restoration of the destroyed, but also the construction of more stable and flexible economic systems.

Thus, the formed problems determine one of the key unresolved parts of the general task of economic recovery of Ukraine. To ensure sustainable development in the post-war period, it is necessary to develop systemic approaches to assessing the impact of destruction on the activities of enterprises, determine priorities for their recovery, and expand research in the direction of strategic management and long-term planning. Only a combination of scientific approaches, practical experience of enterprises and state policy can ensure the formation of an

effective model of industrial recovery, which will become the basis for sustainable growth of the country's economy and its integration into the global economic space.

Formulation of the purpose of the article (statement of the problem). The purpose of this article is to conduct a comprehensive strategic analysis of how the consequences of military actions have transformed the internal and external environments of Ukrainian business entities. It seeks to identify the critical challenges faced by enterprises in the context of infrastructure damage, disrupted logistics, changing market demand, and workforce shifts. Additionally, the article aims to develop well-grounded managerial decisions and adaptive strategies to support enterprise sustainability, recovery, and long-term competitiveness in wartime and post-war conditions.

Statement of the main material of the research with full justification of the scientific results obtained. According to the reports of the Kyiv School of Economics (KSE) [11, 12, 13], as of the beginning of 2024, the total amount of losses due to damage to infrastructure facilities is \$36.8 billion, industrial enterprises \$13.1 billion, energy enterprises \$9.0 billion (Table 1).

Effective functioning of an enterprise in the long term is usually impossible without a strategic vision of its development prospects. The presence of such a vision allows the enterprise not only to respond to current environmental challenges, but also to form its own competitive advantages, build a growth trajectory and determine priority areas for investing resources. Without a strategic approach, the enterprise's activities become situational in nature, which makes it impossible to achieve sustainable results in dynamic market conditions.

Table 1 – Dynamics of direct losses of Ukrainian enterprises and industry from military operations (billion US dollars)

Time	Volumes of direct losses			Total losses
	Infrastructure facilities	Enterprises and industry	Energy	
24.02.2022-01.09.2022	35.3	9.9	3.6	48.8
01.09.2022-24.02.2023	0.9	1.4	4.5	6.8
24.02.2023-01.06.2023	0.4	0.1	0.2	0.7
24.02.2023-01.01.2024	0.2	1.7	0.7	3.3
Сумарно за весь період часу, млрд. доларів	36.8	13.1	9.0	58.9

Source: compiled by the authors based on the [11, 12, 13]

Both the formation and justification of an enterprise's development strategy and the assessment of its level of achievement require proper information and analytical support. This support serves as the basis for making management decisions, because it is on the basis of reliable, relevant and comprehensive information that one can determine the strengths and weaknesses of the enterprise, its potential and limitations, and assess market opportunities and

risks. For this purpose, it is necessary to involve modern methods of data collection and processing that allow not only to analyze the internal state of the enterprise, but also to take into account external factors - political, economic, technological and social changes.

Among the effective tools that provide a strategic vision and increase the efficiency of management processes, it is worth considering strategic analysis. Its application makes it possible to integrate various areas of research into the enterprise's activities into a single system that forms the basis for strategic planning. Strategic analysis allows one to assess the position of the enterprise in the competitive environment, identify threats and development prospects, form a set of alternative scenarios and choose the optimal trajectory in the long term. In this way, it acts as a key tool of strategic management aimed at ensuring the stability and sustainable development of an enterprise in complex and changing business conditions.

The study of definitions of strategic analysis conducted in [15, 16] shows the lack of a unified approach among scientists to interpreting its essence. The semantics of this term as a phrase indicates [17, 18] that the main subject of strategic analysis should be information and analytical support for the management of the formation and implementation of the enterprise strategy (strategic management). That is, the content of strategic analysis is closely related to the elemental, process and functional structure of strategic management.

The main consequences of military actions, which not only affect the implementation of the strategy of business entities, but may also necessitate its change, are grouped in Table 2. These consequences may have different effects on the activities of business entities and the possibility of further implementation of their development strategy or the need to adjust it or generally significantly revise and substantiate a new strategy. This is due to the fact that these consequences significantly change the effect of the main factors of the external and internal environment of the functioning of business entities, which are decisive in the formation and implementation of their development strategies.

Quantitative and structural changes in the population and demographic situation are important in justifying the influence of such a factor of the internal environment of the enterprise as employees and the external environment - the sales market (consumers). This is especially important for enterprises whose activities are focused on the regional market of their location. It is also worth noting that this consequence of military actions has both an immediate impact on the operational capacity of enterprises and the implementation of their strategies - mass migration of the population from the region where the enterprises are located deprives them of labor resources and, directly or indirectly, clients, and a long-term one - the non-return of the population requires a radical revision of the strategy for the further functioning of enterprises.

The occupation of territories by the enemy can have a negative impact not only on business entities located on them, but also on other entities, especially if important transport routes pass through these territories or infrastructure facilities operate on them. This consequence can create obstacles to the normal conduct of operational activities - both for the implementation of technological processes of production, and for the supply of raw materials, materials, component parts, etc. and the sale of finished products. A clear example of this was the problems of exporting grain, metal products and other products by sea due to their blocking by the enemy.

Table 2. Grouping the consequences of military actions in Ukraine that may affect the functioning of enterprises at a strategic level

Names of groups of consequences of military actions in Ukraine	List of consequences of military actions in Ukraine that may affect the functioning of enterprises at the strategic level
Quantitative and structural changes in the population and demographic situation	Physical injuries to citizens or, at worst, death of the population
	Population migration from combat areas and adjacent settlements
	Deterioration of the mental health of the population
Occupation of territories, destruction or blocking of infrastructure	The inability to conduct normal operations in the occupied territories, loss of assets due to damage, theft by the occupier or looting
	Destruction or damage to transport infrastructure
	Blocking air and water transport routes and ports
	Damage or destruction of energy infrastructure
	Mined areas
Deterioration of the macroeconomic situation in the country	Inflation and devaluation of the hryvnia (Ukrainian currency)
	Changing the structure of citizens' consumption
	Decline in the purchasing power of the population
	Decline in business activity
	Reduction in state budget revenues
	Growth in the size of the public debt
External economic consequences	Consideration of military risks by foreign counterparties in business relations with Ukrainian partners
	Termination of international insurance (transport and other) of contract performance risks by Ukrainian enterprises
	Loss of some foreign markets and supplies (mostly the aggressor country and its allies)
Nationwide mobilization of labor and economic resources	Mobilization of citizens into armed formations to protect the state
	Mobilization of enterprise assets for use in military operations

Source: compiled by the authors based on the [11, 12, 13]

No less significant impact on the activities of business entities is the interruption of electricity supply due to the destruction of energy infrastructure by the enemy. The lack of electricity and its sudden shutdowns make it impossible not only to conduct normal operational activities, but even to plan them adequately, and, at worst, to disable equipment.

The deterioration of the macroeconomic situation in the country negatively affects business activity in general, which primarily affects the financial and economic situation of

business entities (leading to an increase in the volume of commercial debts, a decrease in profitability, etc.) and their mesoenvironment - customers, suppliers, competitors. Inflation causes an increase in the cost of all factors of production and, as a result, an increase in the need for financial resources for conducting operational activities. Obviously, all this does not contribute to the implementation of both operational and financial goals of the strategy.

The external economic consequences of military aggression most affect the activities of business entities that perform foreign economic operations - the import of raw materials, materials, components, etc., or the export of finished products. The refusal of foreign partners to accept increased military risks can lead to the termination of supply or sales contracts. For enterprises whose activities are highly dependent on foreign supply or sales markets, foreign economic consequences are particularly relevant when making decisions about implementing or revising their operating and development strategies.

Nationwide mobilization of the population and technical means significantly affects, on the one hand, the factors of the internal environment of the enterprise - the withdrawal of employees, transport and other production facilities from operational activities makes it impossible to conduct it normally, and on the other hand - on the mesoenvironment of the enterprise - these same problems, as a rule, are inherent in the internal environment of its suppliers, buyers and competitors.

The impact of the above-mentioned consequences of military actions on the operational activities of business entities requires their managers at the highest level of management to respond appropriately, in particular, to justify and implement strategic changes in the further functioning and development of these entities. Among the most significant strategic-level managerial reactions by managers of Ukrainian enterprises to military actions and their consequences, the following should be highlighted:

- relocation of production facilities or enterprises in general from occupied or front-line territories to safer regions of the state;

- change in logistics routes and methods of transporting raw materials, materials, and finished products. This applies most of all to export-oriented metallurgical and agricultural enterprises, which were forced to redirect their logistics routes from the southern direction (the ports of Mykolaiv and "Great Odessa") to the southwestern (to the ports on the Danube) or western (to the so-called "dry ports" on the western border of Ukraine). Changing logistics routes also required individual industrial and financial groups (corporations) to make strategic decisions regarding investment in the construction of relevant logistics hubs in western Ukraine and additional acquisition of land (not water) vehicles;

- opening foreign offices with the transfer of entire divisions or teams (groups) of employees there. For many enterprises, this decision was a reaction to the deterioration of the mental health of employees and the need to provide them with safe working and living conditions, as well as the need to assure foreign partners of the fulfillment of contractual obligations towards them;

- opening production facilities in other countries in order to ensure the fulfillment of contractual obligations, especially to foreign buyers. An example is the opening of a plant in Turkey by Ajax Systems in 2022;

- diversification of energy supply – purchase and installation of equipment for generating and accumulating electricity, including from alternative sources (solar, wind, etc.).

Conclusions from this research and prospects for further developments in this area. Strategic analysis of the activities of enterprises that have suffered damage or other negative impact as a result of military actions has shown the complex challenges they face and the need for urgent management decisions of a strategic nature. Radical changes in the external

and internal environment of enterprises as a result of military actions often necessitate strategic changes in their further development. By implementing strategic measures focused on infrastructure restoration, supply chain diversification, financial support, etc., enterprises can increase their resilience to counteract the consequences of military actions and restore economic potential. Future research should explore the development of industry-specific adaptive strategy models, particularly for sectors most affected by infrastructure losses and market disruptions. Additionally, evaluating the effectiveness of public and international recovery support mechanisms remains critical. Further investigations could also address the role of innovation, digital transformation, and sustainable development practices in enhancing business resilience. Comparative case studies of enterprise recovery across different regions and firm sizes may provide insights into best practices for strategic planning under extreme uncertainty.

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Стратегічний аналіз впливу наслідків воєнних дій в Україні на діяльність суб'єктів господарювання.

У статті досліджується стратегічний аналіз впливу воєнних дій на функціонування суб'єктів господарювання в Україні. Акцентовано увагу на актуальності теми з огляду на суттєві зміни у факторах зовнішнього та внутрішнього середовища, спричинені війною, які впливають не лише на поточну операційну діяльність, а й на довгострокові стратегії розвитку. У дослідженні визначено основні групи наслідків воєнних дій, що мають стратегічний вплив на підприємства, проаналізовано їхній вплив на внутрішнє та зовнішнє середовище, а також окреслено основні стратегічні управлінські рішення, прийняті українськими підприємствами у відповідь. Отримані результати мають практичну цінність для обґрунтування та впровадження стратегічних змін у діяльність підприємств в умовах воєнних викликів.

Ключові слова: стратегія, стратегічний аналіз, середовище підприємства, фактори середовища підприємства, воєнні дії, наслідки воєнних дій, стратегічні зміни.

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