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## CONTEMPORARY COMPETITIVENESS EVALUATING METHODS AS A BASIS OF AN ENTERPRISE'S MANAGEMENT SYSTEM

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### Abstract

Analyzing modern methods of company's competitiveness estimation. We compare both Russian and foreign approaches and, consequently, consider the most popular methods of evaluation based on market economy.

**Keywords:** enterprise competitiveness, product competitiveness, valuation method, benchmarking, 4P method.

The intensive development of external economic relations, economic restructuring, large-scale changes in domestic and foreign economic relations management system creates the preconditions for the development of qualitatively new methods to assess the competitiveness of individual companies, since this is the first step to determine the competitiveness of the region and, consequently, the country as well. We should consider that the concept of competitiveness in Russia is relatively young, the assessment of this factor takes on a special status, because in the first place, it is necessary to eliminate the discrepancy between the foreign and domestic experiences, reveal fundamental differences since the above, develop evaluation methods, suitable only for our country and consider all the features of its economic and political ties.

To take a worthy place in the world economy, Russian businessmen are trying to use as much information and innovative technologies as they can: ameliorate their staff skills, improve product quality. It should be noted that the main factor determining the competitive position of the company are: sustainability, transparency of economic policy, the effectiveness of financial investment and the availability of intellectual capital. Such important criteria

as the intellectual capital has not been considered in a few research works of foreign economists of the last century, which is not possible without efficient production and economic activities of any company. Therefore, improving competitiveness it is not a goal for the company, but a means of solving the acute economic problems. One problem - the need for the normal reproduction of the basic factors of production.

There are four combat strategies that can be used by enterprises while operating [1]:

1. The power strategy characterized by luring customers, which is the sale of goods on domestic and foreign markets at artificially low prices, lower average retail price, and sometimes lower than production cost (production costs and handling). The dumping is carried out with the aim of penetrating the market, the conquest of space on it, replacement of competitors [2]. On the one hand, such a policy makes sense. Considering the Japanese study, we can say that the winner of price competition can, defeating rivals sharply raise prices and cut their past losses with new acquisitions. On the other hand, the profit cannot be made without risk. Such irrational methods can lead to the mutual ruin of the firms. Thus, it makes sense only when the market is dominated by medium-sized firms and buyers seek to minimize their costs. We could observe the situation in the XX century. In the real world, priority is given to developing non-price competition - the struggle for the quality, rather than for the price.

2. Niche strategy is characteristic for manufacturers of branded goods, who are fighting for greater customer value of the goods than low prices. It employs the principle of "expensive, but not very high quality."

3. The connection strategy is common on the US car market. To obtain the desired goods the customer must pay for the extra function in the product. The result is a unification of the basic characteristics of the goods with the maximum variety and design of specific devices, that is, the factory produced goods for the individual customer.

We cannot say exactly which strategy will suit an enterprise, and we cannot be sure that there is no fifth strategy, including entirely new criteria and enterprise development factors, as unworthy to place the economy allows each businessman to be an innovator in their business and personal management techniques to develop competitiveness.

Analysis of the level of competitiveness, in contrast to the analysis of economic activities of an enterprise has its own characteristics and objectives:

1. Evaluation of the competitiveness is the basis for estimation the performance of the enterprise in a market economy.

2. The assessment should be carried out systematically, considering the product life cycle, seasonality, the economic situation in the country and the industry. So, we will be able to see in advance all possible risks and to force the situation for the benefit of their company.

3. It is necessary to calculate several indicators, indicating the degree of resistance situation of the company, the ability to produce products which are in demand from consumers and ensure a stable income, such as market share, advertising volumes, price of products, sales development, the quality characteristics of the product, etc.

There are a few basic methods for assessing competitiveness, and draw their comparative analysis:

1. The method of the comparative advantages;

The essence of this method lies in the fact that the production and sale of preferred when production costs are lower than competitors. The main criterion used in this method are the low costs. The advantage of this technique is its assessment of the level of competitiveness [3];

2. Method of firms and industry balance;

3. The structural approach;

4. The method of "profiles";

5. The functional method;

6. The matrix method;

7. Method of bench marketig;

8. Method of estimation of competitiveness based on the 4Ps.

In this article, we will analyze some methods and identify the most effective ones.

Starting with the youngest of the method of science - benchmarking, we note that it originated in the 1980s in the United States as the business practices of individual enterprises, eventually received wide popularity among businessmen and marketers. Moreover, currently it is the most popular management tool [4]. It is used to compare the activity of an enterprise with the best companies in the industry, followed by the implementation of changes to achieve and maintain competitiveness. As competitiveness benchmarking is used in Russia relatively recently, so we note that the concepts and methods of application of benchmarking in practice is still under development by modern researchers and economists. Despite this, many Russian companies, for frequent opening onto the world market, use foreign experience and try to fine-tune the method to be used and in the Russian economy. An excellent example of the introduction of benchmarking on the domestic market is the company "Xerox", which in 1999 began to practice the methods of direct sales, which, as we know, could not cover such a broad consumer market as the Russian. The company could fine-tune the system for a large country, using a two-tier sales system, which allowed the first part to go on a new path of development, but by the end of the reporting period, turnover increased twice.

We can identify the main ideas of benchmarking:

1. Identification of archery-in-class organizations;

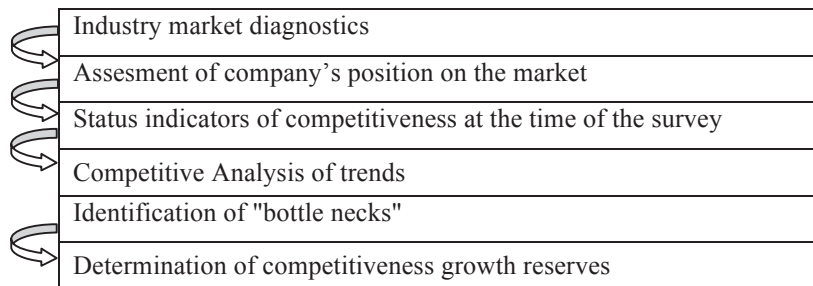
2. Obtaining the necessary information with the help of appropriate methods of collecting information for the self-assessment;

3. Work on self-improvement through the implementation of change, achievement and over-fulfillment of the established norms.

The advantage of this method lies in the fact that the comparison gives in everything: products, services, financial performance, business strategy, function, group, organization, methods of use of the information.

Thus, the method developed recently by the roots entered the functionality enterprises, consequently, can be used in any company with the amendments that meet the peculiarities of the Russian economic system, political system, as well as traditional methods of doing business.

The second method is profiles. As the profile of the studied parameters of the competitive advantages you can choose the following: the company's image, product quality, variety, assortment, pre-sale preparation, the price level, flexibility of pricing policy, marketing policy. For the qualitative assessment of the above profiles meet the experts who use a five-point scale and based on the received data corresponding to the build graphics "profile" the competitiveness of individual enterprises. assessment tasks - determining the ratio of the square profile and the ratio of the maximum possible value. For more accurate assessments, be possible to hold additional expert survey of experts since which is determined by the significance of the individual parameters of the competitive advantages of the assessment. Despite all the advantages of the method, without a doubt, it must be adapted to the Russian model and to a separate company, to avoid non-compliance risks and, therefore, not an effective method of operation.



Picture 1 – Algorithm analysis of the enterprise competitiveness

The acquisition of company's competitive advantages should be organized as a new business enterprise behavior, based on the collaboration: buyers turn into partners, production and economic activity of more successful competitors in the industry is studied by applying the method of benchmarking, priority is working with industry leaders to monitor the economic situation, as well as generating efficiency of pricing and sales tactics. It is already possible to speak of enhancing the competitiveness of not only the individual enterprise, but also the entire industry.

Thus, competitiveness plays a vital role in the organization of production and management. By means of many criteria and methods can identify a specific provision of the enterprise in the industry, its benefits, opportunities, risks and disadvantages for their further elimination.

For more in-depth study of the problems of the enterprise it is possible to sum with the above methods to apply a method for assessing the competitiveness of the 4Ps, which encompasses the following factors: product, price, propagation and promotion. Analysis of the "product" and "price" gives a clear understanding of what is produced by the company, in what way, and what are the advantages of the proposed product on the market. This marketing concept can be associated with the economic concept of competitiveness, which, in turn, is the company's competitiveness.

So, we see that the system of work organization, the supply of the right task, you can use competitiveness as a factor determining the whole production and economic activity of the enterprise in mind the analysis of financial statements, performance marketing development, the quality of the logistics system and the profitability of one or another of the campaign.

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