Problems of Growth Competitiveness of The Enterprise

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Abstract* – *Authors shown the basic direction of formation and improvement of the system of managing enterprise's competitiveness. The result of researche is the strategic priorities of the management system for the development and implementation of long-term competitive advantages.

Keywords – competitiveness, economic growth, market analysis, price politics, methods of advancement analisis, strategic management of competitiveness of enterprise.

I. Introduction

The current problem of modern domestic theory and practice of management is a management of the competitiveness of the enterprise. International competition, globalization of markets, scale penetration of foreground tasks to the Ukrainian market It all is foreground jobs in relation to the competitiveness of the enterprise. If you successfully manage all these tasks, then it will provide a survival and development of enterprises in a new environment. Lack of competition's experience, difficult economic situation in the state, unsolvedness of plenty of methodological and applied problems of management the competitiveness of the enterprise need additional researches in this field. With the aim of achievement of competitiveness of the enterprise, range of problems of strategic management needs much attention today [1].

Competition is central to the operation of markets, and fosters innovation, productivity and growth, all of which create wealth and reduce poverty. However, markets do not always work well, and uncompetitive markets are often those that matter most for the poor [4].

II. The main research matherial

There are many different integral approaches to solving dominant management problems. For example, strategic management of competitiveness of enterprise. In order to solve this problem, you need to put such tasks that give an opportunity to educe key descriptions of competitiveness of enterprise. First task that functions in the conditions of market and arises up on an enterprise, it is a survival and ability to pay accounts, in other words providing of solvency. Such task, as a rule, is solved by taking extreme measures in relation to realization of already manufactured goods, by realization of row of marketing measures: market analysis, assortment, price politics, methods of advancement analysis. After an enterprise attained solvency, there is other task – achievement of profitable activity. On this stage marketing measures are complemented by economic measures, such as, analysis of charges on a production, analysis of prime price and pricing and organizationally – technological [2].

The second urgent issue for enterprises is to ensure financial and managerial transparency, which implies the existence of an enterprise financial structure, financial policies consistent with the international principles and accounting standards. Ensuring financial and managerial transparency is also achieved by timely and proper use of tools such as financial analysis and planning, crisis management, insurance, etc.

In the process of its growth, the company faced with the so-called growth problems. Symptoms at this level may be the complexity of the information, material and other flows in the company, deterioration in the financial condition, the reduction of the overall organization and the like. The problem arises, and with it another characteristic condition of the enterprise business management. To solve this problem it is necessary to introduce modern technologies. Then there is the need for coordination and organization of the integrated interaction of the many financial and management techniques, why in the enterprise and creates an archive of optimum administrative decisions, expert systems, decision support [3].

Competition, the process of rivalry between firms striving to gain sales and make profits, is the driving force behind markets. Efficient and fair markets are essential for catalysing private sector development and economic growth. Yet, while markets work fairly well much of the time, effective competition is not automatic, and can be harmed by inappropriate government policies and legislation, and by the anti-competitive conduct of firms. The problem of identifying where competition is weak, and how to foster more effective competition to encourage economic growth and reduce poverty, is challenging. Many developing countries now prioritize growth in their national poverty reduction strategies. Because effective competition is a driver of productivity, competition policy should be an essential component of any pro-poor growth strategy. Crucially, competition facilitates greater equality of opportunity by breaking down the barriers to fair competition that often help to protect incumbent elites. Barriers to competition are pervasive and harm innovation, productivity and growth – in developing countries. Fair competition matters, both for economic growth and for reducing poverty. Helping markets to work better, by removing unnecessary distortions to competition, can lead to significant reforms of the business environment.

These factors make competition policy and law a priority area for reform in developing countries. There is a need for a wider understanding at policy levels in government, in the business sector and by consumers, of the beneficial impact of effective competition and of competition policy on an economy [4].

Another task pursued by the company, – providing investment attractiveness of the company. The solution to this problem will allow the company to increase its capitalization and, as a result, increase the cost of capital that was invested by the owners.

Future growth prospects are constrained by longerterm trends. Many economies around the world struggle with the double challenges of slowing productivity growth and rising income inequality, often exacerbated by rapidly aging societies. Stagnating and unequally distributed income growth in turn has opened the door to more inward-looking policies, mounting protectionist pressures, and a general questioning of the premises underlying globalization in many economies—most visibly embodied in the recent Brexit vote. At the same time, in emerging markets, the end of the commodity supercycle has led to an abrupt economic slowdown that has exposed the slow pace or lack of competitiveness enhancing reforms in recent years, which could increase polarization and threaten social cohesion.

Competitiveness Index (GCI) shows, to date, progress in building an enabling environment for innovation remains the advantage of only a few economies. Last but not least, future growth will also depend on the ability of trade and investment that has led to record reductions in poverty rates in recent decades. Today's competitiveness landscape is the outcome of developments stemming from the global financial crisis.The end of the commodity super-cycle and the sharp drop in prices, mainly of oil and minerals but also of food and agricultural products, reveals a close relationship between commodity dependence and competitiveness and provides lessons going forward. Innovation and business sophistication are more closely associated with income levels in general, and in emerging economies and commodity-exporting economies in particular, than they used to be. An open, trading economy generates incentives to innovate and invest in new technologies because firms are exposed to competition and new ideas and can benefit from the technology transfer that comes from imports and foreign investment. At the same time, firms can benefit from larger markets abroad. We define competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time [5].

A business capability is what an enterprise needs to be able to do to execute its business strategy. Enterprises should assess the capabilities in order to operate the business by examining the financial and strategic impact. All capabilities are not created equal. Some contribute more to enterprise competitiveness and its value than others. Competitiveness of enterprise capability is the ability of an enterprise to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the enterprise capability employed or consumed in producing them. Competitive advantage means superior performance relative to other competitors in the same industry or superior performance relative to the industry average. Sustainable competitive advantage is a long-term competitive advantage that is not easily duplicable by the competitors. The sustainable competitive advantage is a long-term strategy or process that allows a business to remain ahead of its competitors.

Enterprises should assess the capabilities in order to operate the business by examining the financial and strategic impact. All capabilities are not created equal. Some contribute more to enterprise competitiveness and its value than others. Therefore, it is important for the enterprise to examine the linkage between its capability and competitiveness [6].

Conclusion

So, we take the insights that ensuring the competitiveness of the enterprise should be considered as one of the most important strategic objectives and financial position and particularly the financial sustainability of enterprises as a means of managing enterprise's competitiveness in the future.

In our opinion, the basic direction of formation and improvement of the system of managing enterprise's competitiveness should be emphasis on the strategic priorities of the management system because it ensures the development and implementation of long-term competitive advantages.

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