

## Creation of Competitive Advantages within the Framework of Various Approaches to Competitiveness Management

Nizomiddinov Jahonmirzo Zuhridin oglu

Tashkent State University of Economics, Faculty of Finance and Accounting, 3rd year student of  
the BR-54 group

**Annotation:** The article discusses the conditions for creating competitive advantages and ways to implement them, provides an analysis of versatile approaches to determining competitive advantages as a factor in effective management of competitiveness, explores the possibilities of using various theoretical approaches to develop competitive strategies, the criteria of the resource concept of enterprises are investigated, the sources of competitiveness of an enterprise are determined, the problems of managing the competitiveness of an enterprise and ways to solve them are identified, approaches to managing competitiveness are given.

**Keywords:** competitive advantages, competitiveness management, development of competitive strategies, sources of competitiveness, resource concept.

**Introduction:** The concept of competitiveness in the economic literature is often identified with competitive advantages. It should be noted that such an analogy has good grounds, since the meaning of competitiveness, as mentioned above, is most often interpreted as the ability to outperform rivals in achieving the set commercial goals. However, there is also a causal difference between these concepts. Competitiveness is the result that fixes the presence of competitive advantages, without which competitiveness is impossible.

A clear indication of the presence of a competitive advantage is the ability of an enterprise to obtain economic benefits, or the appropriation of economic rent.

A systematic idea of the competitive forces and advantages of an economic object is given in his works by M. Porter. In the industry competition model, the competitiveness of an economic object in a particular market is determined by five competitive forces - rivalry among competing analogues, threats from substitutes and new market participants, threats to the market power of suppliers and buyers. All these threats are related to environmental factors that create threats or favorable opportunities for determining the competitive position of an economic object. M. Porter's important contribution to the development of the theory of industry organization can be considered the interpretation of the competitive behavior of an enterprise not as a counteraction to direct competitors, but as a consequence of the structure of economic relations in the industry. However, according to R. Daft, an essential feature of a modern enterprise is the rejection of strict control over suppliers and consumers and, accordingly, the strengthening of cooperation between enterprises. An important conclusion is that the close coordination of joint actions of enterprises in the value chain becomes an essential factor in competitiveness.

Taking into account the extended interpretation of the circle of participants in the competitive struggle, M. Porter proposed three typical strategies: cost leadership; differentiation and focus (specialization). At the same time, the uniqueness of the product perceived by the consumer, or the low level of costs, is considered as a strategic advantage. The value chain concept proposed by M. Porter made it possible to clarify the sources of competitive advantage. An enterprise achieves

competitive advantage when it performs strategically important core activities (design, manufacture, marketing, and distribution) at lower cost or with better quality than its competitors.

This interpretation of competitive advantage (associated with efficiency or differentiation) has become widespread, but does not reveal the mechanism for ensuring the sustainability of the advantage over time. The authors who have studied the sources of competitive advantages within the framework of the concept of market positioning also focus on the consumer characteristics of the product (both price and non-price) and identify external sources of competitiveness.

K.K. Prahalad and G. Hamel in their research concluded that the real sources of sustainable competitive advantage lie in the ability of management to consolidate corporate dispersed technologies and manufacturing skills into competencies that empower individual business units with the potential to quickly adapt to changing market opportunities. Thus, organizational learning and the formation of core competencies (eg, order taking, customer service, new product development, quality control) have been recognized as sources of enterprise competitiveness. The concept of "competence" describes the ability of an enterprise to collect, link and integrate resources into products and services.

Research within the framework of the resource concept made it possible to identify four criteria that an enterprise's resources must meet in order to generate sustainable benefits:

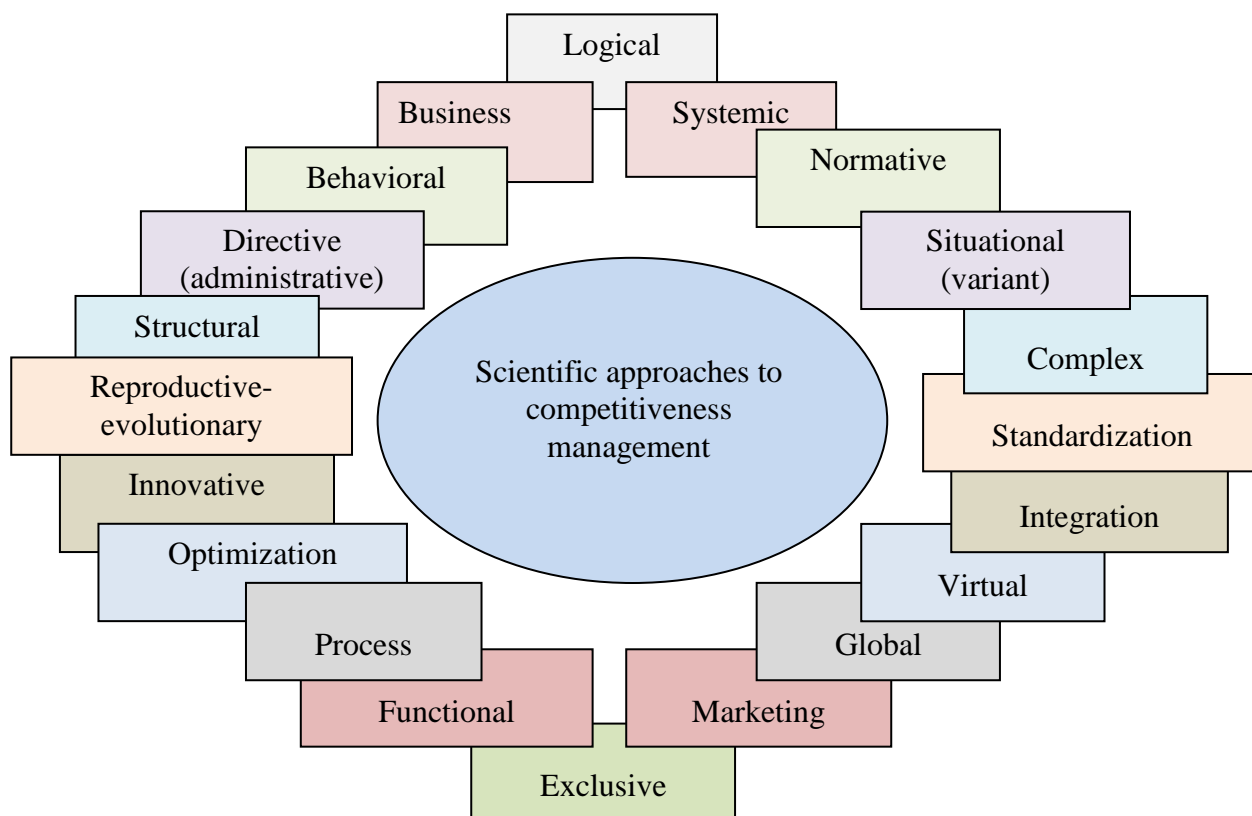
- heterogeneity of resources (rents are impossible in the absence of differences in economic efficiency between resources);
- only those resources that are received/purchased at a price below their present value are capable of generating rents;
- competitors cannot imitate or replace the resources that provide rent;
- there is no perfect mobility of resources, the difficulty of their movement and makes the heterogeneity of the resources of enterprises long-term, and competitive advantages - sustainable.

Resources protected by such mechanisms include unique complementary assets, organizational knowledge, industry technical standards, high switching costs, and resources of organizational origin, most notably the enterprise trajectory.

The development of the resource concept has formed a new interpretation of the concept of competitive advantage, which occurs as a result of the implementation by the enterprise of such a value creation strategy (using its valuable and rare organizational resources), which cannot be implemented by any of the current or potential competitors. The focus of a successful competitive strategy has shifted from focusing on crushing rivals to building hard-to-copy organizational competencies. Since the characteristics of an enterprise's products relative to those of its competitors at any given time depend on its competencies, which in turn depend on its abilities, such an orientation of strategic efforts ensures the ability to compete both at the product level and at the enterprise level. Another conclusion concerns the relativity of competitiveness. The competitive strategy from reactive (depending on the actions of competitors) becomes proactive, therefore, the receipt of economic rent is less dependent on the choice of market boundaries (since the enterprise seeks to create a new market), but to a greater extent - on the dynamics of the development of its core competencies (providing service new need). Enterprises that are capable of timely response to changing service needs, as well as rapid and flexible product innovations, gain a

sustainable competitive advantage. In a dynamic environment where it is difficult to predict the nature of future competition and markets, speed to market and speed of action become critical.

Approaches to competitiveness management have changed throughout the study of this problem. Of modern authors, R. Fatkhutdinov most fully classified scientific approaches to competitiveness management (Fig. 1).



**Figure 1. Scientific approaches to competitiveness management.**

Each of the approaches includes various techniques, technologies, methods, observations, recommendations for managing the competitiveness of enterprises. However, in our opinion, these approaches are not a simple set of prescribed guidelines, but rather a way of thinking aimed at determining the best ways to solve managerial and organizational problems.

The system approach consists in considering objects as multicomponent systems, representing a set of interrelated and interacting elements that contribute and affect the result of the operation and use of the object.

The essence of the innovative approach to management lies in the orientation of the development of production towards the intensification of innovative activity in the field of basic science-intensive technologies, which are the engines of the development of the production system. Factors of production and investment should be the means of evidence-based innovation, not its end.

### Conclusion.

When applying an integrated (interdisciplinary) approach, technical, environmental, economic, organizational, social, psychological aspects of management and their interrelations should be

taken into account. If one of the aspects of management is overlooked, the problem will not be completely solved.

The global approach is implemented through the development of new information technologies, which has greatly simplified international integration and cooperation. In this regard, the solution of most management problems must meet the requirements of consistency, consistency, and complexity within the global community.

The essence of the exclusive approach to competitiveness management lies in the acquisition by the subject of management of the exclusive right to use, at its own discretion, an innovation in any field of activity or a competitive advantage. The object for the implementation of the exclusive approach are: competitive personnel, patent, trademark, new information technologies. Exclusive value can be formed through the use of modern scientific approaches, methods and technologies for managing various objects.

The process approach considers management as a set of basic management functions: organization, planning, motivation and control.

A structural approach to the problem of managing competitiveness is to determine the importance of priorities among the factors of competitiveness in order to establish the rationality of the ratio and increase the validity of the allocation of resources. Before applying the structural approach, it is necessary to structure the problem, to identify the elements that form this structure.

The classification of various approaches to competitiveness management could be continued, but those discussed above give sufficient reason to conclude that the methods and technologies used within the framework of individual approaches not only complement each other, but sometimes overlap or overlap. This does not detract from the value of each of them, but indicates that the variety of management systems and tasks correspond to different ways of their formation and study, formulation and solution. At the same time, it should be noted that, in our opinion, the marketing approach in combination with a systemic and process approach is fundamental for the formation of a system for managing the competitiveness of an enterprise in the conditions of developing competition.

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