

Method of Increasing the Competitiveness of the Enterprise

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Annotation

The article considers the conclusions that in the conditions of the modern economy, victory in the competition, as a rule, is won not by those enterprises that have new technologies or access to resources, but by those that constantly monitor the competitive situation. The results of the study can be used to form an optimal portfolio of strategic measures to ensure the competitiveness of companies and industries, taking into account the limitations of the investment budget.

Keywords: *Competition, competitiveness, competitiveness of an enterprise, assessment of the competitiveness of enterprises, a dynamic method for assessing the competitiveness of enterprises.*

Introduction: The issue of increasing the competitiveness of enterprises has been of interest to researchers for many years. Many theoretical and empirical studies have been carried out on this issue by both foreign and domestic economists.

From the general theory of management it is known that the main stages of the management process are:

- collection of initial information, its analysis and goal setting;
- decision-making, planning and organization of activities to implement the decision;
- Monitoring and control of performance results.

From this point of view, the management of the competitiveness of an enterprise is reduced to the implementation of a combination of the following actions:

- 1) collection and processing of information about the industry and competitors of an economic entity;
- 2) analysis and systematization of the information received, assessment of the competitiveness of the enterprise, setting strategic goals to maintain (improve) the competitive status of the company;
- 3) development of a competitive strategy aimed at achieving the target level of competitiveness;
- 4) consistent specification of the adopted strategy in the course of planning and development of tactical management decisions;
- 5) organization of activities to implement the adopted competitive strategy;

- 6) control of the main stages of the implementation of the strategy, assessment of the competitiveness of the enterprise in the course of monitoring the results achieved, as well as the introduction of corrective actions (if necessary).

All actions provided by the presented algorithm can be conditionally divided into three large blocks: competitive analysis; assessment of the competitiveness of the enterprise; development and implementation of a competitive strategy (Fig. 1).

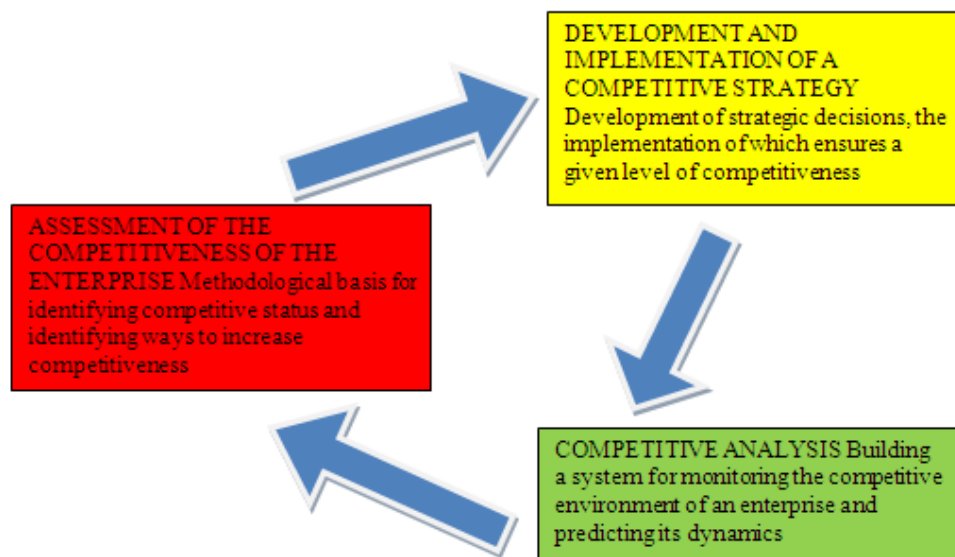


Figure 1. Management cycle for ensuring the competitiveness of an enterprise.

It is fundamentally important that in order to ensure the high competitiveness of the enterprise, the described sequence of actions must be repeated many times, becoming a stable management pattern. Of course, the leading role in this triad belongs to strategic management: in the course of developing and implementing a competitive strategy, unique competitive advantages of a particular business entity are formed. It can be said that this process is a "mystery" of management, which is practically not amenable to formalization. Here, only general recommendations are possible with regard to the most likely measures to increase the company's competitiveness.

At the same time, this "sacrament" is impossible without competitive analysis and competitiveness assessment, on which this triad is based. In the context of the formalization of management procedures, these action blocks are typical for the vast majority of enterprises and are described in detail in specialized literature. At the same time, most researchers consider each of these blocks separately, without a single algorithm for increasing the competitiveness of an economic entity. As a result, economists develop approaches to assessing competitiveness, marketers offer competitive analysis methods, and managers build competitive strategies. They do not always act in the same team, coordinating their actions and comparing results. Not surprisingly, under these conditions, even the most successful strategies for improving the competitiveness of enterprises do not always bring the expected result. Without claiming to reveal the "mystery" of the formation of competitive advantages, we are nevertheless convinced that a properly structured work on the preparation of structured information necessary for making strategic decisions can significantly increase their effectiveness.

Based on this, the main goal of this study is to formalize the main stages of the process of conducting a competitive analysis and assessing the competitiveness of an enterprise, as well as

establishing relationships between them in the course of preparing an information base for developing and implementing a company's competitive strategy.

Competitive analysis.

The main purpose of conducting a competitive analysis is to provide an information basis for assessing competitiveness and making decisions in the field of strategic management. The achievement of this goal is ensured through the construction of a system of indicators that allow monitoring the competitive environment of the enterprise and predicting its dynamics.

The study of competitors and competitive conditions in the industry is required for any company to determine its advantages and disadvantages over competitors, develop its own competitive strategy, or maintain the achieved competitive advantage. An analysis of the competitive environment of an economic entity and the conditions of its activity allows us to establish the factors that determine the level of its competitiveness to the greatest extent. Further, by purposefully influencing the identified factors, the company's competitive position is optimized. Let us briefly present the procedure for analyzing the competitive environment of an enterprise (in accordance with the recommendations of the classics of strategic management).

When conducting a competitive analysis, first of all, it is necessary to formulate a brief description of the object of study, including a description of the industry of the company being analyzed, the main consumers, the company's production capacities, market conditions, and others. The following is an analysis of the situation in the industry. Since industries differ greatly in their structure and basic characteristics, the analysis of the situation in the industry and competition in it begins with an overview of the basic industry characteristics. At the same time, it is necessary to pay special attention to the nature and intensity of competition. When conducting an analysis of the situation in the industry and competition in it, the following questions should be answered:

- the size of the industry market;
- the growth rate of the market and the stage at which it is located;
- number of competitors and their relative sizes;
- the level of profitability of the main companies in the industry;
- the intensity of competition between the main players in the industry;
- the main ways of competition;
- who are the main suppliers in the industry;
- directions and rates of technological changes;
- ease of entry into and exit from the industry;
- what are the key factors that determine success or failure in industry competition;
- Industry prospects and its general attractiveness.

At the same time, it is necessary to take into account the influence of the economic characteristics of the industry on the nature of competition.

As a result of competitive analysis, the management of the company should form a clear and objective picture of the external environment of the enterprise. It is also important to remember that such an analysis cannot be a purely mechanical exercise in which the analyst simply plugs in the data and gets ready-made answers. For the same initial data, there may be several probabilistic

scenarios for the dynamics of the industry. In this regard, when conducting a strategic analysis, there is always room for different opinions about the influence of certain factors and about the likely changes in the industry and the competitive environment.

Assessment of the company's competitiveness.

If we take into account the content aspect, then we can present the following generalized classification of the main approaches to assessing the competitiveness of economic entities:

- matrix methods (based on the assessment of the company's product portfolio);
- product methods (based on the assessment of the competitiveness of the company's products);
- operating methods (based on the assessment of various components of the company's operating activities);
- methods of business valuation (based on the assessment of the market value of the company);
- dynamic methods (based on the assessment of key economic indicators of the company in dynamics).

Conclusion.

Within the framework of this study, a description of the main stages of the algorithm for increasing the competitiveness of an enterprise is given: competitive analysis, assessment of the competitiveness of an enterprise, development and implementation of a competitive strategy.

Among the directions for further research, we note the relevance of studying the issues of forecasting the competitiveness of economic entities. In addition, the issue of choosing a methodology for assessing the competitiveness of a company is extremely important.

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