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### **IMPROVING THE COMPETITIVENESS ASSESSMENT METHODOLOGY**

**Abstract.** The article explores the direction of increasing the competitiveness of the enterprise. The classification of methods for assessing the competitiveness of an enterprise has been carried out and the best methodology has been proposed for ООО МР CHEMICAL GROUP UK.

**Keywords:** enterprise competitiveness; product competitiveness; matrix method; graphical method; tabular method.

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### **УДОСКОНАЛЕННЯ МЕТОДИКИ ОЦІНЮВАННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВА**

**Анотація.** У статті досліджено напрямки підвищення конкурентоспроможності підприємства. Проведено класифікацію методів оцінки конкурентоспроможності підприємства та запропоновано найоптимальнішу методику для ПП «МП КЕМІКАЛ ГРУП ЮК».

**Ключові слова:** конкурентоспроможність підприємства; конкурентоспроможність продукції; матричний метод; графічний метод; табличний метод.

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### **СОВЕРШЕНСТВОВАНИЕ МЕТОДИКИ ОЦЕНКИ КОНКУРЕНТОСПОСОБНОСТИ ПРЕДПРИЯТИЯ**

**Аннотация.** В статье исследованы направления повышения конкурентоспособности предприятия. Проведена классификация методов оценки конкурентоспособности предприятия и предложена оптимальная методика для ООО «МП КЕМИКАЛ ГРУПП ЮК».

**Ключевые слова:** конкурентоспособность предприятия; конкурентоспособность продукции; матричный метод; графический метод; табличный метод.

**Formulation of the problem.** The relevance of the research subject is due to the fact that in a market economy the basis of economic development of enterprises is its competitiveness in the market. However, it cannot be considered that the planning, formation and evaluation of a strategy to increase competitiveness remain exclusively in the sphere of interests of only the enterprise. No less interested in this are the state (budget), commercial banks, investment structures, shareholders and other holders of securities.

Thus, the development of functional management mechanisms, the formation and evaluation of competitive strategies is an urgent problem, and led to the choice of research theme.

**Analysis of recent research and publications.** Such national and foreign scientists as A.V. Arefyeva [1], A.I. Dragan [2], N.G. Mitsenko [6], G.R. Chupik [7], M. Porter [3] and others, paid attention to the formation of areas of increasing the competitiveness of enterprises.

**Highlighting previously unresolved parts** of a common problem. At the same time, the study of the scientific literature and the practice of using directions to increase the competitiveness of enterprises in domestic enterprises indicates that the understanding of enterprise competition and product competition, and in particular, methods for assessing them in modern conditions, remains insufficiently covered and even contradictory.

**The purpose of the article.** The main purpose of this article is to improve the methodology for assessing the competitiveness of an enterprise.

**Statement of the main research material.** The competitive potential of an enterprise is a combination of interconnected and interdependent potentials: production, financial, innovative and

marketing, which allow the enterprise to make enough profit to reproduce production elements, improve the production process, maintain and improve product quality, stimulate production in the face of constant changes in the competitive environment.

The general procedure for research, evaluation and, in general, management of the enterprise's competitiveness covers the following principal stages [3]:

- the manifestation of factors of the external and internal environment, affecting the level of competitiveness of the enterprise and the assessment of their significance;
- grouping of factors, analysis of their intragroup and intergroup relationships;
- assessment of the influence of factors (or groups of factors) selected for research on the level of enterprise competitiveness and quantitative determination of this level;
- forecasting changes in factors included in the model as a result of possible changes in the conditions of the external and internal environment;
- forecasting the level of enterprise competitiveness;
- clarification of ways and methods to increase competitiveness;
- development of a set of measures to increase the competitiveness of ability;
- assessment of direct and indirect costs for the implementation of the developed measures;
- selection of the criteria for the effectiveness of measures to increase the competitiveness of the ability of the enterprise;
- determination of the effectiveness of the developed measures and the selection of the optimal set of regulatory influences;
- adoption of appropriate management decisions.

The competitiveness of the enterprise is determined by indicators that characterize:

- product competitiveness;
- financial condition of the enterprise;
- sales and promotion of goods;
- production efficiency;
- the image of the enterprise and the like.

The specific set of indicators depends on the method of assessing the competitiveness of the enterprise.

The classification of methods for assessing the competitiveness of an enterprise provides for their division into separate groups according to a certain criterion. Most often, such a sign is the form of presentation of the assessment results, according to which there are graphic, matrix, calculation and combined (calculation-matrix, calculation-graphic) methods [7].

The graphical method for assessing competitiveness is based on the construction of the so-called "Radial Competitiveness Chart" or "polygon" of competitiveness.

The advantage of the graphical method for assessing the competitiveness of an enterprise is its simplicity and clarity; a disadvantage should be considered that it does not allow to establish the value of the generalized criterion of the competitive ability of the enterprise.

Matrix methods for assessing the competitiveness of an enterprise are based on the use of a matrix – a table of elements arranged in rows and columns. The most illustrative example is the well-known matrix of BKG (Boston Consulting Group). It is built on the principle of a coordinate system: vertically – the growth rate of market capacity, placed along the rows of the matrix in a linear scale; horizontally, that is, on the columns of the matrix – on a logarithmic scale, the relative share of the producer of the products on the market is plotted. Companies are considered the most competitive; they occupy a significant share in the fast-growing market. Advantages of the method: allows you to explore the development of competition processes in dynamics and, with reliable information on sales volumes, allows you to ensure a high representativeness of the assessment; the lack of emphasis on the oversimplification of the method and the inability to analyze the causes of what is happening, making it difficult to develop managerial decisions.

The tabular method for assessing the level of competitiveness of an enterprise is actually a variation of the matrix and therefore does not stand out here in a separate category.

Calculation methods for assessing the competitiveness of an enterprise are numerous and are divided into:

- specific methods – methods to assess the competitiveness of the enterprise in certain aspects of its activities
- production, innovation, marketing, financial and the like;
- integrated methods – methods based on an integrated approach to assessing the competitiveness of an enterprise.

Among the integrated assessment methods, a decisive place is occupied by:

- a method that uses, as the main approach, an assessment of the competitiveness of enterprise products;
- a method based on the analysis of the comparative advantages of competing enterprises;
- a method based on the theory of effective competition;
- integral method;
- Self-assessment method (European model of business excellence, English business improvement matrix methodology (VIM)).

A method based on the theory of effective competition [2, 7]. According to this theory, those enterprises where the work of all departments and services are organized in the best way are the most competitive. The effectiveness of each service is influenced by many factors – the resources of the company. Evaluation of the effectiveness of each of the units involves evaluating the effectiveness of their use of these resources. The method is based on the assessment of four group indicators – competitiveness criteria (Table 1).

Table 1

**Description of complex methods for assessing the competitiveness of an enterprise**

Method Name	Method Content	Advantages and disadvantages
A method based on assessing the competitiveness of enterprise products	Using the method involves assessing the level of enterprise competitiveness based on the consumer value of the products. The method is based on considerations that the competitiveness of the manufacturer is the higher, the higher the competitiveness of its products. As an indicator evaluating the competitiveness of a product or service, the ratio of two characteristics is used: quality and price. The most competitive product is considered to have an optimal ratio of these characteristics. The higher the difference between the consumer value of the goods for the buyer and the price that he pays for it, the higher the margin of competitiveness	<i>Advantages.</i> Considers the most important criterion that affects the competitiveness of an enterprise – competitiveness of goods. <i>Disadvantages.</i> Allows you to get only a limited idea of the advantages and disadvantages of the enterprise, that is – abstracting from other aspects, the competitiveness of the enterprise is identified exclusively with product competitiveness
A method based on an analysis of the comparative advantages of competing enterprises	The method is based on the provisions of the theory of the international division of labor, according to which the prerequisite for the industry or enterprise to gain a stable competitive position is the presence of comparative advantages that allow for relatively low production costs compared to a competing industry or enterprise. Assessing the level of competitiveness is carried out by comparing not only production costs.	<i>Advantages.</i> The method is quite simple to use. <i>Disadvantages.</i> It does not allow making integral conclusions about the level of competitiveness, since using exclusively production costs as an evaluation criterion does not reflect the processes of interaction between the producer of the product and the market.

End of Table 1

Method Name	Method Content	Advantages and disadvantages
Self-Assessment Method	<p>The self-assessment method involves a number of steps.</p> <p>First, an expert assessment of all performance indicators of the company (the list of which depends on the method of self-assessment) is carried out according to all criteria with assignment in accordance with the degree of development of the approach or the presence of positive results of evaluation values – 0.25; 0.50; 0.75; 1.00. The sum of the obtained estimates for each criterion is multiplied by the "weight" of the criterion and they are summed. At the end, a general performance assessment is drawn. On this, the calculated part of the analysis is considered completed.</p> <p>Further, the obtained value should be made up of a preliminary assessment of the enterprise itself or with an assessment of the activity of competing enterprises, due to which: a powerful catalyst appears to overpower the enterprise; Priorities for improvement the mission receives reasonable arguments to represent its capabilities in the external environment.</p>	<p><i>Advantages.</i> Allows you to develop for practice – its application is a relatively simple tool that creates the conditions for regular assessment of the activity of organic structures and improvement; provide the enterprise management with the opportunity to develop plans for further improvement; ensure the identification of major gaps and disagreements in plans or processes for implementing improvements.</p> <p><i>Disadvantages.</i> It requires involvement in the process of evaluating the activities of all departments of the enterprise. The obtained estimates are quite subjective (the evaluation of the company's activities according to the criteria is carried out by experts)</p>
Integral method	<p>The integral indicator of an enterprise's competitiveness level includes two factor elements: a criterion that reflects the degree of customer satisfaction (characterizes the relative competitiveness of the product) and production efficiency criterion (as a rule, return on assets, return on equity, or average rate of return over a certain period).</p> <p>If the integral indicator is 1, the level of competitiveness of the analyzed enterprise corresponds to the level of competitiveness of the enterprise</p>	<p><i>Advantages.</i> Simplicity, visibility, allows you to get unambiguous assessments of the competitive position of the manufacturer.</p> <p><i>Disadvantages.</i> It can be applied only to assess the competitiveness of single-product enterprises, while relatively diversified enterprises need to analyze not just one type of product, but the entire commodity mass.</p>
The matrix method (developed by the consulting group of Boston)	<p>The methodology is based on competitiveness analysis taking into account the life cycle of a product (service).</p> <p>The essence of the assessment is to analyze the matrix, built on the principle of the coordinate system: horizontal-growth / decrease in the number of sales on a linear scale; vertical – the relative share of goods (services) in the market. The most competitive companies are those that occupy a significant share in the fast-growing market.</p>	<p><i>Advantages.</i> If reliable information on sales volumes is available, the method allows for a high representativeness of the assessment.</p> <p><i>Disadvantages.</i> Excludes analysis of the causes of what is happening and complicates the development of managerial decisions.</p>

Source: compiled by the author basic on [2, 3].

Next, we consider the indicators of competitiveness of the enterprise.

The first group includes indicators characterizing the efficiency of the production process management: the efficiency of production costs, the rationality of the operation of fixed assets, the

perfection of the manufacturing technology of goods, the organization of labor in production. The second group combines indicators reflecting the efficiency of working capital management. The third group includes indicators that provide an idea of the effectiveness of sales management and product promotion on the market by means of advertising and stimulation, and the fourth group includes indicators of product competitiveness (product quality and price).

The above list of methods for assessing competitiveness is not constant and exhaustive. The number of components of the enterprise's competitiveness depends on the type and complexity of the product in technical and operational terms, the necessary accuracy of the assessment, the purpose of the study and other factors.

**Conclusions.** The methods described above differ in their essence, the basis for the formation of competitiveness indicators. In general, a complex methodological problem in assessing the competitiveness of an enterprise is the determination of its criteria and indicators. What will be the basis for further research.

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