

SUBSTANTIATION OF THE CHOICE OF METHOD FOR ASSESSING THE ENTERPRISE'S COMPETITIVE POSITION

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Effectiveness of the Ukrainian companies in the future, ensuring a high rate of their growth and increase of competitiveness in a market economy is largely determined by the level of strategic management. To identify the rationality of production and sales of the company is recommended to assess the competitive position of the enterprise, the results of which should be considered when choosing a future development strategy.

Enterprises of Ukraine in the conditions of competition in the course of time would feel the need to solve such problems as reducing of production costs, improving of product quality, upgrade the fixed assets, technological upgrading and so on. Meanwhile to decide some problems is impossible without a common vision inside conditions of the company, its market position and analysis of its tools for strategy realization. In a market economy each enterprise should solve the task: to estimate the competitive position of the company, which has become the resulting system-wide production management and marketing.

There are three approaches to understanding the position of the company on the market: the first position – a position in the market; second position – the result of market operations; third position – a competitive advantage. Based on the essence of the word “position” must represent the considered period yet in terms of the first approach. However, the need to recognize the existence of each individual market specific parameters on which this situation will be assessed in relation to competitors. Presentation of the competitive position of the company as a result of action seems to us incomplete; because the interpretation of the competitive position is no different from several other indicators that are also the resulting, for example market size and profitability of sales and others. As to the third approach, often there is a mixture of close concepts related to the competition. Combines all the above definition that the competitive position – a relative value, which is determined by achievements against the backdrop of the competition. Summarizing the conclusions, we can give the following definition: competition or market, the position of the company – is its market position relative to competitors, which is measured by significant consumer characteristics.

The Market Position we will determine like its place in relation to producers and consumers in the market. The competitive position of the company is determined by the

degree of compliance of enterprise, the key decision-making by the buyer when purchasing a product, so analysis of the competitive position of the company involves identifying the factors that influence the attitude of buyers to the company and its products.

To study the competitive position of enterprises in one industry, the procedures Graphic strategic groupings are used. The strategic group consists of companies competing with similar strategic approach and market position. It is important to study the behavior of the nearest competitors as wrongly expected the outward manifestation of the competitive action without knowledge of their opponents strategy and the planned follow-up. The actions and intentions of the competition is the best guide for policy actions the company; otherwise it will be forced to always be in a defensive position. To identify the strategies of competitors exploring the field of competition, strategic intent of competitors, their goals for the size of the market and competitive position, strategic behavior of competitors and competitive strategies.

The Market competitive position of the company is defined by its position in relation to producers and consumers in the market. The competitive position of the company is determined by the degree of compliance of enterprise, the key decision-making by the buyer when purchasing a product, so analysis of the competitive position of the company involves identifying the factors that influence the attitude of buyers to the company and its products. To assign these factors: commercial terms; organization of the distribution network; degree of environmental enterprise; understanding of the company from consumers and the impact of trends in the market conditions at the situation on the market.

When selecting the factors influencing the competitive position – the key success factors for global enterprises determined factors influencing the competitive position of the company, including: environmental company, market, efficiency of sales, product competitiveness, promote the enterprise system.

Each factor in the global competitive position consists of a set of local parameters.

The work proposed to evaluate the competitive position using the method of radar [1, 2], including the following areas:

- assessment of ecological compatibility of the enterprise: ecological product quality, environmental responsibility of businesses, environmental packaging;
- position in the market: market share, growth rate segments, commitment purchaser of goods;
- the effectiveness of marketing: market coverage distribution channels percent discounts, credit terms, forms of payment, form of marketing;

- the competitiveness of product quality, brand name, price sticker;
- a system of promotion: advertising, sales promotion, direct marketing, Public Relations.

When selecting a local indicators were taken into account what is known to be characterized by a decrease in price competition by the manufacturer prices for their products compared with products from other manufacturers. In this case, the company may, focusing on the method of “experiential curve” to abandon the costly support services when creating products to be a monopoly on cheap sources of raw materials, improve cultivation technology, which ultimately leads to the consolidation of the company more market share.

Expert Panel assessment is made of the above local indicators for a 10- point scale. Experts put the individual scoring of each local index for all selected factors impact on each test plant competitors.

Conduct assessment procedures of the competitive position of the object under investigation task requires selection of appropriate models and appropriate methods of analysis.

The mathematical model for evaluating the competitive position of the company in a changing environment is:

$$MP_j = \frac{\frac{1}{2} \sin \frac{360^\circ}{m} \left(C_{1j} C_{mj} + \sum_{i=1}^{m-1} C_{ij} C_{(i+1)j} \right)}{\pi \times R^2} \Rightarrow \max, \quad (1)$$

where MP_j – competitive position of enterprise j ;

m – quantity of influencing factors;

C_{ij} – average expert judgment of factor indicator i over j -th enterprise; $j = \overline{(1, n)}$;

n – quantity of enterprise-competitors;

π – pi number;

R^2 – radius of the unit circle Radar.

Calculate the average value of average expert judgment of factors based on a formula

$$: C_{ij} = \frac{\sum_{q=1}^Q \sum_{\mu=1}^M a_{ij\mu q}}{MQ}, \quad (2)$$

where $a_{ij\mu q}$ – expert value of influencing factor i over enterprise j ,
 $i = (\overline{1, m})$; $j = (\overline{1, n})$; $\mu = (\overline{1, M})$; $q = (\overline{1, Q})$;

m – quantity of influencing factors;

n – quantity of enterprise-competitors;

M – quantity of experts;

Q – quantity of local indicators, that must be estimated by experts.

An important step is to determine the consistency of expert opinion and reliability of expert opinion. As far as consistency of experts can take the coefficient of concordance (W), which is calculated by the formula:

$$W = \frac{\sigma}{\frac{1}{12} M^2 (Q^3 - Q) - M \sum_{\mu=1}^M T_{\mu}}, \quad (3)$$

where σ – standard deviation;

M – quantity of experts;

Q – quantity of local indicators;

T_{μ} – total experts estimates [2].

Application of “Radar” method for the solution of the problem gives ocular demonstration as polygon constructed within the estimated range for the factors influencing the competitive position of the company. Evaluation indicator of competitive position is relative to the plane of the polygon.

Thus, the stronger the competitive position of the company, the greater the area of the polygon and the closer the quantitative evaluation of competitive position to unity.

References

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