

Iryna M. Trunina¹

DEVELOPMENT OF ENTREPRENEURSHIP ENTITY COMPETITIVE STRATEGY USING COMPETENCE-BASED APPROACH

The paper determines the essence of entrepreneurship entity's competitive strategy and general approaches to its development, which enabled to specify basic stages in the competitive strategy formation. An example of realization of entrepreneurship competitive strategy as a totality of managerial impacts on the dominant fields of competence is provided. A matrix of strategic alternatives for entrepreneurship entity competitiveness provision with the use of competence-based approach is created. It is demonstrated that there cannot be a universal entrepreneurship competitive strategy. Alternatives for competitive strategy in the field of entrepreneurship are offered.

Keywords: competitive advantage; entrepreneurship entities; competence-based approach; competitive strategy.

Ірина М. Труніна

РОЗРОБКА КОНКУРЕНТНОЇ СТРАТЕГІЇ СУБ'ЄКТА ПІДПРИЄМНИЦЬКОЇ ДІЯЛЬНОСТІ НА ОСНОВІ КОМПЕТЕНТНІСНОГО ПІДХОДУ

У статті визначено сутність конкурентної стратегії суб'єкта підприємницької діяльності (СПД) та загальні підходи до її розробки, що дало змогу встановити основні етапи формування конкурентної стратегії СПД. Наведено приклад реалізації конкурентної стратегії суб'єкта підприємницької діяльності як сукупності управлінських впливів на ключові сфери компетенції. Побудовано матрицю стратегічних альтернатив забезпечення конкурентоспроможності суб'єкта підприємницької діяльності з використанням компетентнісного підходу. Доведено, що універсальної підприємницької конкурентної стратегії не існує. Продемонстровано основні альтернативи конкурентної стратегії у підприємстві.

Ключевые слова: конкурентна перевага; суб'єкти підприємницької діяльності; компетентнісний підхід; конкурентна стратегія.

Рис. 3. Літ. 11.

Ирина М. Трунина

РАЗРАБОТКА КОНКУРЕНТНОЙ СТРАТЕГИИ СУБЪЕКТА ПРЕДПРИНИМАТЕЛЬСКОЙ ДЕЯТЕЛЬНОСТИ НА ОСНОВЕ КОМПЕТЕНТНОСТНОГО ПОДХОДА

В статье определены сущность конкурентной стратегии субъекта предпринимательской деятельности (СПД) и общие подходы к ее разработке, что позволило установить основные этапы формирования конкурентной стратегии СПД. Приведен пример реализации конкурентной стратегии субъекта предпринимательской деятельности как совокупности управленческих воздействий на ключевые сферы компетенции. Построена матрица стратегических альтернатив обеспечения конкурентоспособности субъекта предпринимательской деятельности с использованием компетентностного подхода. Доказано, что универсальной конкурентной стратегии в предпринимательстве не существует. Продемонстрированы основные альтернативы конкурентной стратегии в предпринимательстве.

Ключевые слова: конкурентное преимущество; субъекты предпринимательской деятельности; компетентностный подход; конкурентная стратегия.

¹ East-Ukrainian Volodymyr Dal National University, Kremenchuk, Ukraine.

Problem statement. The need to develop an enterprise competitive strategy is caused by unpredictable environmental changes that may result from demand saturation, technologies changes, sudden emergence of new competitors etc. The choice of a competitive strategy is to be based on profound understanding of the market, acknowledgement of one's advantages and faults, foreseen actions of competitors. Environment analysis enables studying the main competitors, their positions at this market and singling out the possibilities for competitive advantages provision of the enterprise (Azoiev, 1995).

When new market segments are developed, and the field of activity expands, enterprise has to enter international markets. This provides the possibility not only to increase production volumes but also to reduce expenditures and get access to other countries' resources. International competitive strategies is an important tool in generation and development of the basic strategy for an entrepreneurship entity (EE). World markets have very serious demands to its participants and requires high standards from them. Differences of cultures, currency exchange rates, taxation issues, appreciation of imported goods by population in foreign countries considerably complicate the choice of a necessary strategy.

Recent research and publications analysis. Issues of enterprise competitiveness are the subject of many scientific papers by both Ukrainian and foreign scientists – G. Azoiev (1995), V. Andrianov and E. Memetov (2009), I. Ansoff and E. MacDonnell (2009), A. Voronkova (2000), N. Kovalenko (2010), V. Otenko (2014), O. Parshyna (2010), M. Porter (1997), S. Rekiianov (2010), et al. These researches make it possible to determine the essence of competition, the methods providing enterprise competitive advantages, basic approaches to enterprise competitive strategy development etc. However, studying the papers of the abovementioned authors, it is necessary to point out that particular problems of enterprise competitiveness provision remain unresolved. So, for example, such issues as specific character of entrepreneurship entities' activity and its influence on competitiveness, problems during the generation of EE efficient competitive strategy basing on internal factors of enterprise success to guarantee its reliable competitive advantages.

Research objectives. The main objective is the development of an entrepreneurship entity competitive strategy using the competence-based approach.

Key research findings. Determination of the possibility for the use of the competence-based approach to competitive strategy of an entrepreneurship entity, identification of key directions in the provision of EE competitiveness using the competence-based approach made it possible to improve the order of entrepreneurship entity competitive strategy formation that, unlike the existing ones, takes into account not only the possibility for competitive advantages generation based on competences but also the determination of possibilities for their generation subject to the parameters of entrepreneurship environment.

Determination of the essence of the EE competitive strategy and general approaches to its development enables the identification of the main stages in the EE competitive strategy formation.

1. Determination of dominant EE competences, their location and sources implies the identification and analysis of the key field of entrepreneurship activities; their nature and origin. This stage implies revealing industrial specific knowledge that

forms the competences of entrepreneurship entity, analysis of adequacy of this knowledge and its correspondence to strategic management issues being considered.

2. Analysis of entrepreneurship entity competitive advantages based on competences. This stage implies the determination of entrepreneurship entity competence dominant fields that demonstrate its uniqueness in the competitive environment and are able to form competitive advantages. The possibility for development and improvement of entrepreneurship entity competitive advantages expressed in strategic directions of entrepreneurship entity competitive strategy and strategic alternatives is also determined at this stage.

3. Assessment of competitive potential of EE implies the determination of possibilities for its development and also EE's resource provision in the context of its competitive strategy realization.

4. Choice of instruments and technologies for generation and realization of the entrepreneurship entity competitive strategy. Generation of EE competitive strategy is performed with the use of a wide spectrum of methods, instruments and technologies providing the analysis of entrepreneurship entity competence sources to identify the possibilities for competitive advantages generation, based on competences (expert inquiry, competence scaling, R. Buhner's method (1997), graphic methods, SWOT-analysis), to determine the possibility of EE resource provision, and also to formulate the directions of competitiveness provision. With this purpose in view, competence-based approach, a wide spectrum of graphic methods, mathematic modelling, expert assessment, profile method, matrix methods etc. are used. Application of special information technologies and statistic analysis make it possible to process a great range of data and knowledge used for the analysis of entrepreneurship environment, business climate, specific features of entrepreneurship entity development etc.

5. Generation of entrepreneurship entity competitive strategy based on competences choice of strategic alternatives. Types of competitive strategies that can be used in entrepreneurship entity activity are determined at this stage and strategic alternatives of its development are chosen according to dominant competences.

6. Determination of directions in providing the EE competitiveness on the basis of the use and development of the key fields of its competence.

7. Control and correction of the EE competitive strategy imply the assessment of strategy effectiveness, i.e. the correspondence of its results to the goals set and the swift to alternative strategies if the results of strategy realization are unsatisfactory. Assessment of entrepreneurship entity competitive strategy realization effectiveness is performed according to the basic indices of EE activity – profit growth, expenditures reduction, market share, risks, thus determining the entrepreneurship entity success in the competitive environment.

The logic of entrepreneurship entity competitive strategy development is shown in Figure 1.

The use of competences in competitive analysis and EE strategic management enables the creation of instruments for analysis of entrepreneurship entity competitive advantages, its competitive positioning, generation and introduction of competitive strategy. Generation of a competitive strategy is to take into account certain reference points that serve as criteria for the realization of EE competitive strategy. Such

reference points can be determined in dominant fields of entity's competences and visually demonstrated by means of graphic methods.

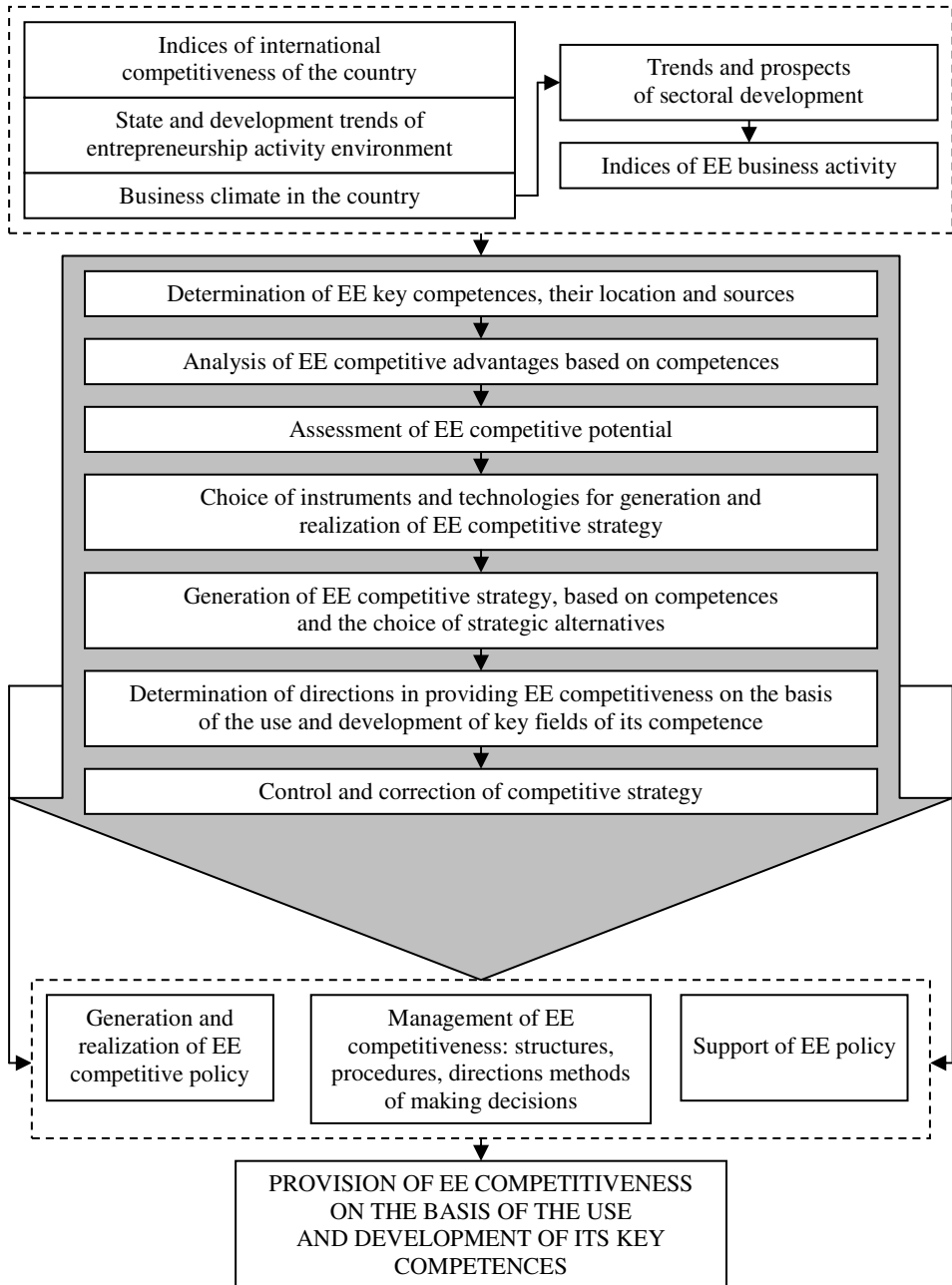


Figure 1. **Generation of entrepreneurship entity competitive strategy based on competences**, made by the author

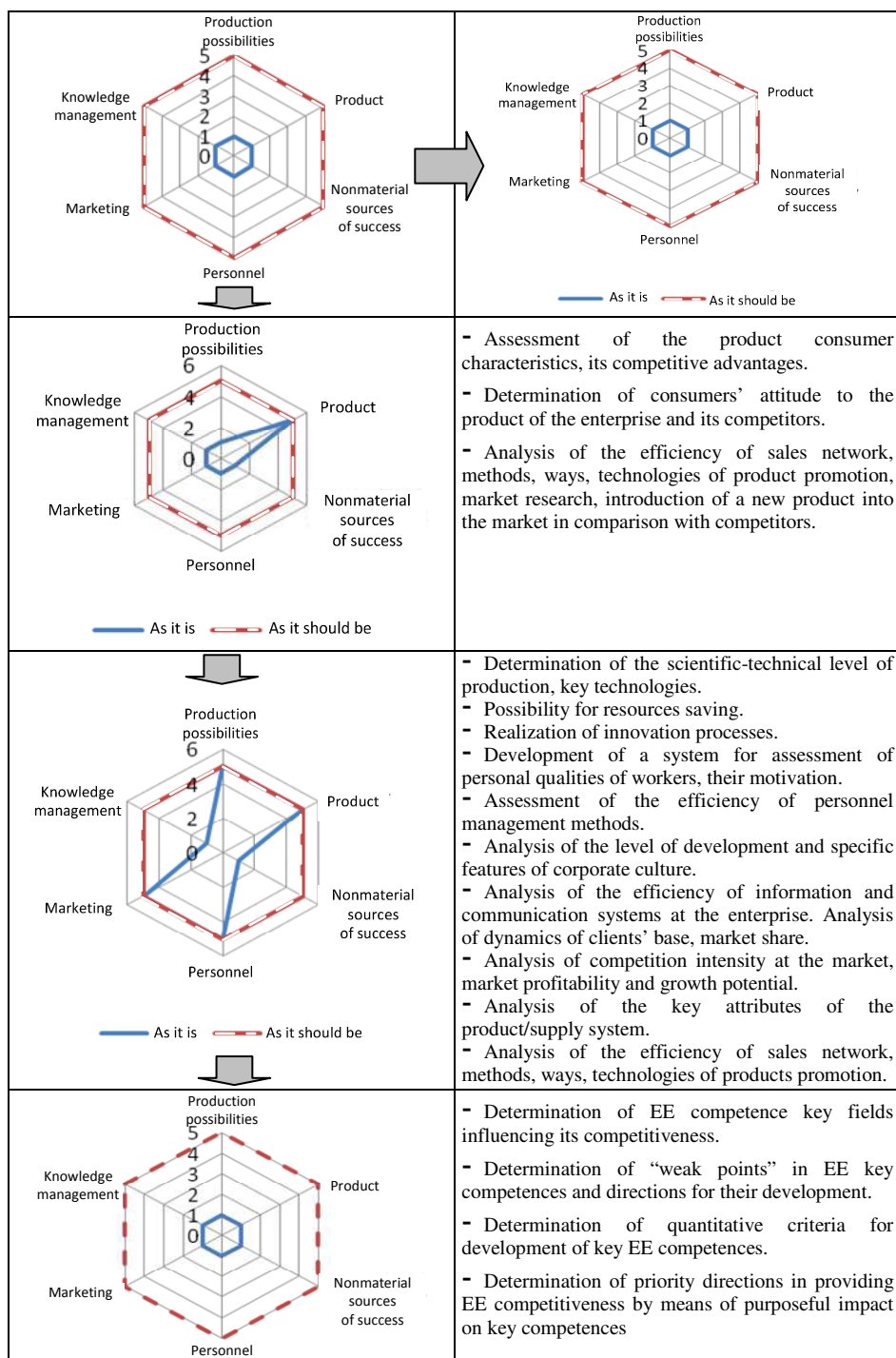


Figure 2. The example of realization of EE competitive strategy as a totality of managing impacts on the key fields of its competence, made by the author

The choice of EE competitive strategy guarantees the generation of its competitive policy, instruments and technologies of providing entrepreneurship entity competitiveness, which are aimed at the development of competences required by the entity. This implies the determination of weak competences deteriorating the competitive position of the EE and identification of directions on managing the influence on such competences with the aim to improve the competitiveness of the entity. The example of the EE competitive strategy realization as a totality of managing impacts on dominant competence is given in Figure 2.

It can be seen from Figure 2 that generation and choice of the EE competitive strategy is made on the grounds of the analysis of its key competences. However, the performed research certify the necessity for taking into account the environment parameters, in particular, business climate which determines the possibilities for realization of the competitive strategy chosen by the entity. Taking into account the abovementioned factors and their synthesis provides the possibility to choose a competitive strategy for the entity and to identify the strategic alternatives determining the direction of competitiveness development. Thus, it is recommended to choose an EE competitive strategy according to the results of the creation of a matrix of strategic alternatives using the competence-based approach (Figure 3).

It is proposed to create a matrix of strategic alternatives for the EE competitiveness on the basis of estimated indices of the EE business activity (predictable recession, no variations, predictable growth), as well as the estimated state of the EE key competences different from the weak state (there are no distinct key fields of competence or there is one weak field), medium state (several weak fields of competence or one strong field), strong state (several strong fields of competence).

Conclusions and prospects for further research. Matrix of strategic alternatives providing EE competitiveness on the basis of dominant fields of competences demonstrates that the main alternatives for a competitive strategy in entrepreneurship include:

- business reorganization;
- restricted expansion;
- selective development;
- innovative development;
- investing in development.

All these strategic alternatives are provided by the determination of entrepreneurship entity dominant competences, which create its competitive advantages, improve its competitive position or create a new one due to development of dominant fields and provide competitiveness of the entity.

It should be noted that strategic alternatives shown in the matrix provide possibilities for a shift from one alternative to another when some matrix parameters change. Changes of parameters and estimated values of entrepreneurship entities business activity or enhancement of dominant fields of competence (identification of new fields) make it possible to pass to other strategic alternatives, more favorable for competitiveness development.

As a conclusion, it should be mentioned that there is no universal competitive strategy in entrepreneurship. Its choice depends on many factors: the current state and development trends, business climate and the key indices of business activity,

conditions for development of a particular sector, resource potential of the entity, dominant fields of its competence and workers who are the carriers of competence. Today's world proposes a lot of different variants for strategic development, the aim of which consists in generation and enhancement of competitive advantages under the conditions of entrepreneurship environment development, expenditures reduction, taking into consideration the constant growth of competition, and also the achievement of operative flexibility and adaptability of the entity.

		EE dominant fields of competences		
		Strong	Medium	Weak
Forecast of EE business activity	Growth	<i>Generation or enhancement of the dominant field of EE competence</i> - Protection of EE competence dominant fields and their further development. - EE competitive positioning on the basis of dominant fields of competence. - Provision of EE intellectual leadership in competitive environment. - Provision of EE competitiveness on the basis of dominant fields of competence.	<i>Investment in development</i> - Determination of EE competence dominant fields providing its competitive advantages. - Support for dominant competences. - Development of the abilities to create new fields of EE competence. - Support of workers as the carriers of dominant competences. - Investing in the development of dominant fields of EE competence.	<i>Selective development</i> - Search for new sources of EE development on the basis of dominant competence. - Product improvement by means creating new consumer characteristics. - Improvement of the system of dominant attributes of the product/supply system. - The use of possibilities for market growth for EE competitiveness improvement.
	No variations	<i>Selective development</i> - The use of dominant fields of EE competence for competitiveness improvement. - Development of abilities for competition. - Investment in creation/support of a market niche and innovative development.	<i>Innovation development</i> - Concentration of investment into profitable directions of business - Creation of new competitive advantages based on innovations - Development of dynamic possibilities as an ability to innovation activity	<i>Restricted expansion</i> - Search for possibilities of business expansion due to development of dominant fields of EE competence. - Investment reduction. - Improvement of business-processes.
	Recession	<i>Support for dominant fields of EE competence</i> - Determination of dominant fields of competence, necessary for the improvement of EE competitiveness. - Search for new markets /market niches. - Protection of competitive advantages. - Support for workers who are the carriers of dominant competences.	<i>Development of dominant fields of EE competence</i> - Search for possibilities of manufacturing new products with new consumer characteristics. - Improvement of product competitiveness. - Protection of EE competitive position.	<i>Business reorganization</i> - Determination of weak points in dominant EE competences. - Determination of possibilities for enhancement of dominant EE competences. - Business restructuring. - Expenditures reduction and risks aversion.

Figure 3. The matrix of strategic alternatives providing EE competitiveness on the basis of development of dominant fields of competence

(Andrianov and Memetov, 2009)

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Стаття надійшла до редакції 26.05.2015.