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# THE METHODOLOGY OF EVALUATION OF COMPETITIVENESS OF ENTERPRISES

#### Tkachuk N.V.

Kyiv National Linguistic University

The paper investigates methods of assessing the competitiveness of enterprises, analyzes the advantages and disadvantages of each of them and their application. Generalized approach to their use. Conducted a refined classification of the existing methods of estimation of competitiveness of business entities. Characterized the factors influencing the competitiveness of domestic enterprises. Considered different methods of estimation of competitiveness of enterprises.

**Keywords:** index, competitiveness, competition, matrix, method, methology, evaluation of competitive, enterprise.

Statement of the problem. The problem of estimation of competitiveness is universal, global in nature. In recent years, competition has intensified due to internal factors in the development of trade and activity penetration into the Ukrainian market of foreign companies. Therefore, both in theory and in practice more attention is paid to the need for a comprehensive solution of the problems of developing competition and improving the competitiveness of enterprises, it is in such circumstances are of particular importance in the assessment of competitiveness of the enterprise.

Analysis of recent researches and publications. Topicality of the research stems from the current state of competitiveness of the majority of Ukrainian enterprises. The relevance of the research on the competitiveness of enterprises increases as a result of the entry of Ukraine in free trade Zone and the signing by Ukraine agreements on Association with the European Union.

The study and research of competitiveness of enterprises, as well as its assessments focus on the work of E. P. Golubkova, A. N. Pechenkina, A. Glukhova, P. S. Zav'ialovaia, N. Porter, F. Kotler, Is. Dihtl, C. K. Pralhad, Pascal, T. Peters, N. Patsy, etc. But despite the rather significant amount of work, the problem of methodology of assessment of competitiveness has not received adequate coverage.

The purpose of the article. Study existing methods of assessing the level of competitiveness, the definition of advantages and disadvantages, their applicability and generalization of the material processed.

The results of the researches. There is a huge amount of calculation and calculation and graphical methods for assessing competitiveness. Each method has its own characteristics: the authors justify the use of different approaches for the calculation of indicators of competitiveness, the need to consider various factors to assess, etc [8].

Analysis of the economic literature on the subject allows you to select multiple approaches to assessing the level of competitiveness.

Matrix method. Matrix methods of assessment of enterprise competitiveness based on the use of matrix tables organized by rows and columns of elements [10]. There are many matrix models, which can be used to assess the level of competitiveness of the enterprise: matrix «The growth of the industry/market share» (model BCG); matrix «market attractiveness/competitive position» (model GE/McKinsey); directional policy matrix or «industry attractiveness/competitiveness» (model Shell/DPM); matrix «stage of the market / competitive position» (model Hofer/Schendel); matrix «stage of the life cycle of products / competitive position» (model ADL/LC).

Using matrix methods, executives have the opportunity to assess the level of competitiveness of potential of not only their company, but also its closest competitors, which will help to develop a strategy of market behaviour.

Methods based on the theory of effective **competition.** One of the most common methods of estimation of competitiveness of enterprises is the method based on the theory of effective competition. According to this theory the most competitive are companies where the best arranged work of all services and divisions. On the efficiency of each of the services is influenced by a number of factors, resources of the firm. Evaluation of the effectiveness of each of the units involves an assessment of the effectiveness of the use of these resources [9]. The method is based on evaluation of 4 groups of indicators or criteria of competitiveness: efficiency indicators of production activity, the financial position of the company, the effectiveness of the marketing and promotion of goods, competitiveness of a product.

Each of these metrics has a different degree of importance for the calculation of the factor of enterprise competitiveness (PAC), so

expert was calculated by the weighting factors of each criterion and indicator.

The application of this method allows not only to determine the main competitors and in the competitive struggle of enterprises, which is estimated (by criterion of maximum of the score), but also to quantify the gap on the most competitive enterprises [7].

Methods based on the evaluation of competitiveness of enterprise products. Methods based on the evaluation of competitiveness of enterprise products. This group of methods is based on the idea that competitiveness is higher, the higher the competitiveness of their products. To determine the competitiveness of products uses various marketing methods, which are based on finding the ratio price-quality.

The calculation of the index of competitiveness for each type of products is carried

out using a parametric and economic competitiveness index. In turn, these indices are determined by summation of the partial indices for each evaluated parameter with the given weighting coefficients [5].

Each of the partial indices on the relevant parameter is taken as the ratio of the actual values of the estimated parameter to the value of the corresponding index of competing products (or other products, selected as basis for comparison). In this case the parametric index is determined on the basis of technical evaluation (quality) parameters of products of economic value [3]. The list of cost and technical parameters, as well as the weight of each of the parameters set by the expert. In particular, in a number of methods as one of the value parameters value is the amount of spending on after-sales service of products.

Table 1
The methodology of evaluation of competitiveness of the enterprise

The methodology of evaluation of competitiveness of the enterprise		
Name meth- ods	Advantages and disadvantages	Brief description, method of calculation
Matrix meth- od	Advantages: simplicity, accessibility, visualization, the use of objective criteria of attractiveness and competitiveness, reduction level subjective.  Disadvantages: over-simplification, difficulties with the assessment and definition the size of the market, market share company and market growth rates.	The essence is to analyze the evaluation matrix, based on the principle of the coordinate system, horizontal – the rate of increase (decrease) in sales; vertical – the relative share of the enterprise market. The most competitive are those companies that occupy a large share of the growing market.
Methods based on theory ef- fective compe- tition	Advantages: versatile accounting aspects the activities of the enterprise.  Disadvantages: the approach is the idea of that figure the competitiveness of enterprises can be determined by elementary summation ability of the company to achieve competitive advantage. However, the sum of the individual elements of the complex system (as any company), as a rule, does not give the same result as that of the system as a whole.	According to this theory, the most competitive are those firms where the best organized work of all departments and services. The effectiveness of each service is influenced by many factors — enterprise resources. Evaluating the effectiveness of each of the units involved an assessment of the effectiveness of their use of these resources. Each formulated during the preliminary analysis of the ability of the enterprise to achieve competitive advantages estimated by experts in terms of available resources.
Methods based on the evalua- tion of com- petitiveness of production enterprises	Advantages: takes into account one of the most important pillars of competitiveness of the enterprise is its competitiveness of product/service.  Disadvantages: provides a very limited understanding of the advantages and disadvantages in the firm, as the company's competitiveness takes the form of competitiveness of the goods and does not affect other aspects of its activities.	This group of methods is based on the idea that competitiveness is higher, the higher the competitiveness of its products/services. The calculation of the index of competitiveness for each type of products is carried out using parametric and economic competitiveness indices.
Integrated methods	Advantages: takes into account not only the achieved level the competitiveness of the firm, but also its possible dynamics in the future.  Disadvantages: methods and techniques used in determining current and potential competitiveness in final account reproduce the methods used in the earlier approaches that entail and disadvantage the respective approaches.	The approach is based on the assertion according to which the competitiveness the company has integrated value for the current competitiveness and competitive potential. Current and potential competitiveness and their the ratio within the integral index of competitiveness company depending on the method may vary.

Parametric and economic competitiveness indexes make it possible to calculate the integral indicator of competitiveness of the treated products relative to competing products. It is defined as the ratio of the parametric index, the economic to [1].

Indicators of competitiveness are calculated for each type of production. The following defines the factor of competitiveness of the enterprise is the weighted mean value among indicators for each type of product, where the weights acts as the sales volume of the relevant product.

To undoubted advantages of this approach include the fact that it takes into account one of the most important pillars of competitiveness of the enterprise the competitiveness of their products [2]. The disadvantages is that it provides a very limited understanding of the advantages and disadvantages in the enterprise, because enterprise competitiveness takes the form of product competitiveness and does not affect other aspects of its activities. In addition, some of the criticism is the consideration of product competitiveness to the ratio of price and quality, does not take into account the degree innovativeness products that are essential in positioning products on the market.

Integrated methods. Methods classified under this approach are defined as complex due to the fact that the assessment of the competitiveness of enterprises under each of the methods is conducted by identifying not only current but also potential competitiveness of the enterprise [4]. The approach is based on the assertion that competitiveness is the integral value in relation to current competitiveness and competitive potential.

Using these criteria of classification was drawn up the methodology of assessment of competitiveness of enterprises (table. 1).

**Conclusion.** Scientific novelty of research is that conducted in this paper clarifies the classification of existing methods of an estimation of competitiveness of business entities.

As shown by the study, there are many parameters that need to be in the field of view of the enterprise management as the most important management objects. However, specifying the parameters of competitiveness of this or that object, you need to constantly take care of creating the appropriate conditions that achieve required parameters of competitiveness.

Conditions (circumstances on which anything depends) appear, thus, the second fundamental component of the competitiveness category. They cover a wide range of technical, technological, organizational, economic, social, human, legal, ideological relations which de-

velop in the operation of the economic mechanism of the enterprise. The creation of all necessary conditions for achievement of competitiveness of objects is the primary concern of management and all staff of the company.

The analysis of existing methods of assessing competitiveness showed that none of the developed techniques not satisfy modern conditions of the Ukrainian enterprise, because does not take into account the aspect of interaction of the enterprise with the market environment.

Integration of factors that characterize the relationship of the enterprise with the business environment in the overall system analysis and evaluation of competitiveness will allow:

- 1) more fully analyze the factors affecting the competitiveness of a business entity;
- 2) to obtain more accurate data about the competitiveness level by introducing values that characterize the relationship aspect in the calculation of competitiveness indicators;
- 3) to make the most accurate predictions about the dynamics of competitiveness indicators based on changes at the company, and the environment;
- 4) in practice show the importance of the concept of marketing interaction networks and theory concerning Ukrainian economic conditions.

A study of the competitiveness of enterprises requires a comprehensive approach that involves the use of a diverse set of methods and techniques of analysis.

Theoretical and practical significance of research results. Most of the techniques involves the comparison of virtually identical companies producing similar goods and services and operating in similar economic conditions. All becomes more difficult to define clear geographical boundaries of a particular market, to establish the list of competing products and businesses that entail a similar intransigence of assessment methods of competitiveness of enterprises. These shortcomings of existing approaches to assessing the competitiveness of enterprises cause a low possibility of practical application of most of them. The main reason for this, in my opinion is a lack of clear definition, by most economists, the notion of the competitiveness of enterprises and the evaluation criteria of this indicator.

Prospects for further scientific developments in this area. The evaluation of competitiveness require a more detailed study, since problems remain in terms of the choice of the universal metric and the set of factors of competitiveness of the enterprise, as well as overcoming the subjective its estimation.

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## Ткачук Н.В.

Київський національний лінгвістичний університет

## МЕТОДОЛОГІЯ ОЦІНКИ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВ

#### Анотація

У статті досліджені методи оцінки конкурентоспроможності підприємств, проаналізовано переваги та недоліки кожного з них та можливості їх застосування. Узагальнено підходи до їх використання. Проведена уточнена класифікація існуючих методів оцінки конкурентоспроможності суб'єктів господарювання. Охарактеризовано фактори впливу на конкурентоспроможність вітчизняних підприємств. Розглянуто різноманітні методи оцінки конкурентоспроможності підприємств.

**Ключові слова:** індекс, конкурентоспроможність, конкуренція, матриця, методика, методологія, оцінка конкурентоспроможності, підприємство.

## Ткачук Н.В.

Киевский национальный лингвистический университет

## методология оценки конкурентоспособности предприятий

## Аннотапия

В статье исследованы методы оценки конкурентоспособности предприятий, проанализированы преимущества и недостатки каждого из них и возможности их применения. Обобщены подходы к их использованию. Проведена уточненная классификация существующих методов оценки конкурентоспособности субъектов хозяйствования. Охарактеризованы факторы влияния на конкурентоспособность отечественных предприятий. Рассмотрены различные методы оценки конкурентоспособности предприятий.

**Ключевые слова:** индекс, конкурентоспособность, конкуренция, матрица, методика, методология, оценка конкурентоспособности, предприятие.