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## **ADAPTATION INDUSTRIAL ENTERPRISES TO CHANGED COMPETITIVE ENVIRONMENT**

*Abstract.* Competitive environment results in positive changes in market agents' relations. At the same time, it is characterized by constant, often unpredictable, changes in the conditions of their existence, which, for one, positively affects production activity, while others have a negative impact on efficiency, often leading them to bankruptcy. These features of the competitive environment require the identification of the mechanism of adaptation of enterprises to its changes, namely, the reengineering of the internal environment of the enterprise, in accordance with the variability of external economic conditions, based on a certain production policy.

*Key words:* external environment, factor, adaptation, enterprise, system approach.

At the base the adaptation of enterprises to conditions of a changing competitive environment should use the principles: systemic, objectivity, dynamism, flexibility, alternative, optimality, constructiveness, imitation, and feedback, scientific and methodological substantiation. To assess the efficiency of the enterprise, it is proposed to use matrix methods based on the consideration of the processes of competition in the dynamics. Their application is appropriate in making strategic decisions regarding the formation of a sustainable competitive position and the choice of a competitive strategy of the enterprise. The effect of the market mechanism and the behavior of individual enterprises depends on the structure of the market. The most significant in economic relations are market structures that reflect the number and size of producers and consumers in those or other sectors of the economy. In the markets for any goods, an important component of a changing competitive environment is emerging - a competition that does not depend on the size of enterprises and their number in different industries. Competition is a rivalry, a competition between market players, which aims to provide better opportunities for marketing their products, satisfying the diverse needs of customers [1, p. 142].

The adaptation effect occurs at the enterprise not only in terms of profitable activity, but also at a loss that is less than projected when it detects the impact on the enterprise of crisis conditions. Adaptation capabilities of an enterprise are the potential of an enterprise that can be used to eliminate, overcome or neutralize the negative impacts of crisis conditions of functioning on its activities.

Consequently, the question arises of identifying the environmental factors and adapting the industrial enterprise to their influence. Saati T., Cairns K. [2] emphasize the possible use of different approaches to strategic planning, among which the systematic approach implies that the future is uncertain and can not be foreseen, based on the present or past conditions. The emphasis is on creating alternative scenarios of the future based on today's action, rather than simply adapting to what brings the future. A combination of

quantitative and qualitative methods is used to identify criteria, to determine the importance of criteria and to select a plan that should meet important criteria. In system planning, problems are solved and constantly redefined through the learning process.

Thus, external factors are understood as the totality of subjects of economic activity, economic, social and natural conditions, national and interstate institutional structures and other external conditions and factors operating in the global environment, which influence or may affect the functioning of the enterprise [3].

PEST analysis (political, economic, social, technological factors), SWOT analysis, which helps to identify the threats and opportunities faced by an enterprise, are often used to analyze macro-factors, and to identify adverse factors that can reduce the level of potential of an enterprise [4].

An assessment of the impact of environmental factors on the competitiveness of the enterprise is conducted in a generally accepted manner. After establishing the mission and goals of the company, the diagnostic stage is carried out: an assessment of the changes affecting various aspects of the company's potential; Identification of factors that threaten competitiveness of the company's potential; analysis of competitors activity; identifying the factors that are more likely to achieve the strategic objectives of the enterprise.

In practice, adaptation capabilities can be determined by the amount of reserve capital (financial), the lack of capacity of fixed assets - the volume of increase in production (production), the volume of dissatisfied demand for products in the market (market).

Different types of adaptive effects can take place at the enterprise. Their definition is possible only by subjective assessment of the results of the implementation of the economic mechanism of adaptation to crisis conditions. By the nature of the results we allocate: 1) economic adaptation effects, manifested in the intermediate and final results of the enterprise (increase in productivity, lower cost, increase in production, increase the level of competitiveness of products, increase profits); 2) social adaptation effects are manifested in improving working conditions, applying progressive forms of moral and personal incentives for workers, solving social problems, meeting the needs of society (increasing the number of jobs, expanding areas of activity, raising the welfare of workers, providing health care and social protection workers). By methods of evaluation: real adaptation effects are manifested in the actual reduction of overall production costs of an enterprise and an increase in revenues; calculation adaptive effects, obtained by calculating certain indicators of effective activity of the enterprise (labor productivity, labor intensity, material intensity, energy intensity, profitability, solvency, liquidity); conditional adaptive effects are manifested in improving the activity of an enterprise that cannot be calculated, but their presence is evident (team cohesion, employee dedication, business image and reputation formation, corporate spirit formation); By the scale of the spread of efficiency: the initial adaptive effects, are manifested immediately in the process of implementation of the mechanism of adaptation, measures that provide for an immediate and one-time, local action. Such effects are manifested only in the place of adaptation measures and do not extend to other areas of the enterprise, as they are specific; animation adaptation effects arising from the application of universal adaptation measures, their effect may be extended to other areas of the enterprise and multiplied by the combination of applied adaptation measures; In accordance with the goal of determining the efficiency: absolute adaptation effects, characterizing the overall or specific value of the economic effect on the results of the implementation of the economic mechanism of adaptation to crisis conditions; comparative adaptation effects are determined by forecasting the results of the

**«Scientific achievements of the present»**

implementation of the economic mechanism of adaptation to crisis conditions by alternative means, while the criterion of effectiveness is the possibility of achieving adaptation goals with lower costs.

Depending on the time factor there is adapting effects: the long-term adaptive effect, manifested in the survival of the enterprise and the ability to carry out its activities regardless of the changing conditions of operation; medium-term adaptive effect, manifested in the ability of the organization to develop and maintain an adequate level of competitiveness; short-term adaptive effect, determined by the possibility of overcoming the existing negative environmental impacts.

Depending on the results, there are three types of adaptation effects: an appropriate adaptation effect indicates an increase in economic revenues as a result of application of adaptation measures at the enterprise; the neutral effect of adaptation testifies to the fact that the results of the enterprise were not degraded in conditions that required adaptation; the lost adaptation effect indicates the untimely or inexpedient application of adaptation measures at the enterprise [5].

The lack of adaptive effects resulting from the implementation of the economic mechanism of adaptation at the enterprise may indicate the occurrence of mistakes in the process of adaptation, which manifests itself in the incorrect interpretation of the threats of crisis conditions for the normal functioning of the enterprise; fuzzy, unrealistic defined adaptive purposes; lack of effective system of motivation for the implementation of adaptation measures; formal perceived management functions in relation to the implementation of the economic mechanism of adaptation to crisis conditions; absence of a system for evaluating the results; "Manual management", lack of modern methods, styles and forms of enterprise management; the unwillingness of the responsible persons to implement an adaptation mechanism to act outside the standard, quickly, take risks and responsibilities when choosing adaptation measures for themselves.

Therefore adaptation of enterprises in the changing conditions of the domestic economy plays an important role in the activities of enterprises and directly affects its efficiency.

Application of adaptation measures by domestic enterprises can help to increase the level of efficiency of their activities. At the moment, additional research needs quantitative and qualitative adaptation criteria and their effectiveness in the activities of enterprises. Also, after identifying environmental factors, the industrial enterprise needs to develop a flexible adaptation strategy

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