

Chapter 4

STRATEGIES OF COMPETITIVENESS IN ENSURING SUSTAINABLE SOCIO- ECONOMIC DEVELOPMENT

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MANAGEMENT OF THE ENTERPRISES COMPETITIVENESS UNDER CONDITIONS OF SOCIO-ECONOMIC DEVELOPMENT

The problem of sustainable socio-economic development implies the creation of such social and economic system, which ensures ability of the economy to withstand external and internal influences. In terms of sustainable economic development, the issue of managing competitiveness of enterprises becomes more important.

The analysis of scientific and theoretical approaches to determining and assessing enterprise competitiveness and previous studies prove that the products and services quality directly affects the competitive abilities. In this regard, the issues of quality assurance and management are becoming increasingly important.

Under the integration of Ukraine into the European and international economic space, the topical issue is the application of the international system of requirements in practice in order to determine the level of customer service. The problem of improving the quality of services production is currently very urgent [1, p. 48-54].

The previous analysis has proved that competitive relations characterize modern hospitality market. At the same time, the lack of an integrated statewide system of management and regulation of the hospitality network development causes serious violations of consumer rights, shortcomings in the work of the establishments.

Increase of the level of services market openness, and sharpening of the competition among the hospitality industry companies set the task of constant improvement of services quality and their attractiveness to customers. The factor of changing consumption and the consumer, the increase of his experience put forward the issues of quality improvement in the foreground.

Year by year the priorities of the problems change that determines the necessity for their annual review and preparation of annual proposals and measures aimed at the improvement of services quality and reduction of the cost of providing high quality services.

To varying extents, the work on the improvement of various aspects of service quality assurance is gradually reducing the overall costs of the enterprise to service quality. Therefore, analyzing service quality problems, one can choose solutions which accord with numerous quality management functions and cost management features.

Quality means the characteristics and specific features of a service that cause customer satisfaction, or lack of deficiencies, which enhances the customer's state of satisfaction.

Quality of service is an important area of activity. Some marketers believe that quality management is an organization-controlled action aimed at meeting quality standards [2, p. 117-121].

In addition, it should be borne in mind that there is a close connection of the concept of quality and values, where values should be taken as a certain consumer importance of services. In this case, high-quality services are to be appreciated. However, it is important to keep in mind that high-quality services are not always of high quality.

In some cases, quality is associated with the increased comfort, luxury or luxury services. This approach can hardly be considered correct, because it is possible to get quality services at a reasonable price.

It is worth keeping in mind that the quality of the service is not only its content, but also a form of its supply. Therefore, quality is the first and foremost a customer's sense of satisfaction with service, and quality service is a service that meets the guest's needs.

The quality level, in its turn, depends on the degree of coincidence of the client's ideas about the real and desirable service in the hospitality enterprises.

In the basis of any sector, providing services lies the unification of actions aimed at customer service. Therefore, in the hotel business, a process of duplicating the quality of services is required, with the mandatory preservation of the quality level.

Based on this, it is worth noting that the entire hotel industry, from the creation of optimal organizational structure of a separate hotel enterprise to the development of professional standards and job descriptions, is founded on standardization of operational processes and is aimed at solving the problems of quality service.

One of the effective means of managing and controlling the quality of products and services is their certification.

The implementation of the first proposed scheme envisages the creation of such conditions under which it will be not only profitable for the enterprise, but also prestigious to confirm its status in the services market.

At the same time, preparation, conducting and results of certification should be accompanied by active elucidation in various sources: specialized publications, websites, during seminars, conferences, competitions, etc. We consider this scheme as the first stage of gradual implementation into the enterprises of hospitality industry with benchmarking technologies, the main tasks of which are to identify market leader in order to find the best products and services – a model for others.

At the same time, it is necessary to carry out extensive agitation and explanatory work among the restaurateurs, for whom the implementation of this system should be considered as an additional and undoubtedly effective advertising of the establishment, as well as among the consumers, nurturing in them culture of consuming products and using services.

The second scheme of attestation involves the introduction of tight control by the state authorities on compliance with the procedure of confirmation of the selected class, which clearly regulates the procedure, sequence of the necessary procedures during the establishment and

organization of the institution.

Enterprise competitiveness is managed through the formation of a multilevel system that requires the development and implementation of appropriate measures both at the state and at individual enterprises level.

Competition as a complex category makes it possible to put into effect large potential of market incentives for business activity, which are still underused.

An active government policy, the instrument of which is fair competition, helps to achieve the desired reconciliation of the interests of the state and entities of the restaurant industry. The point to be emphasized is that the state only creates right conditions for the occurrence and improvement of the factors of competitive advantage. The benefits are created directly by enterprises.

At the level of the enterprise, the focus on the strategic priorities of the management system should become the main direction for the formation and improvement of the competitiveness management system because the development and realization of promising competitive advantages is ensured here.

The starting point in the development of the program for managing enterprise competitiveness is the setting of goals and objectives determined in accordance with the strategic purposes of the institutions.

The results of the analytical section made it possible to conclude that in the current competitive environment the strategic goal of the institution should be gaining the target audience, strengthening of the strategic position and attaining a high level of competitive advantage in the services market, obtaining a sufficient amount of profit.

For the achievement of the strategic goals, the mission of the institution is being developed, which is perceived in providing a wide range of high quality products and services, provision of high comfort conditions and organization of consumer leisure to fully meet their needs.

Competition strategies are a tool to achieve goals that determine the direction and nature of the further development of the enterprise. In the first stage, a strategic monitoring program is developed to collect competitively important information, a resource base for monitoring is developed: staff, funds, and financial reserves are allocated, etc. [3, p. 178].

The next stage is the development of a system of actions, that is, a portfolio of competitive strategies, focused on the specific market situation in a certain competitive environment, which allow identifying

alternative strategic areas to increase the enterprise competitiveness. Strategic analysis makes it possible to substantiate competitive advantages of an enterprise in the market.

According to the chosen direction of monitoring, research program is developed and the objects of comparison, individual and group indicators are determined.

The objects for comparison are selected by the method of segmentation of multidimensional objects, which are competitors. To implement this method practically, it is advisable to break the companies into groups according to the degree of market orientation – by the type, location, business segments, strategies and actions in competition. During the study and evaluation of the economic activity of competitors, their market key factors (MKF) are determined – factors creating opportunities or threats to the functioning of the enterprise, prerequisites for choosing a strategy to increase its competitiveness.

Clear understanding of the needs and expectations of the end consumer plays an important role in the success of the restaurant business. Accordingly, in managing competitiveness of the enterprise, it is necessary to identify these needs – the key factors for consumer decision-making (KFCDM), which can be determined by the formula:

$$KFCDM = \sum \Phi_i \lambda_i, \quad (4.1)$$

where F_i is the value of the i -th factor forming consumer demand for restaurant products and services on a 10-point scale;

– the value of the i -th factor forming consumer demand for products and services, points;

Note: the value of the i -th factor forming consumer demand for products and services (λ_i) is determined based on the questionnaire.

Accordingly, competitiveness of the facility will be determined based on the comparison of the maximum value of KFCDM and the degree of compliance of the facility with customer requests, which is determined according to the monitoring materials.

An important element of the measurement system is to determine the main own criteria for success of the enterprise activity – the key success factors (KSF), which should reflect progressive development of the enterprise and give a complete objective picture of its condition. In our opinion, various factors may become the main factors for the success of a restaurant establishment [4, p. 234].

We propose to evaluate the level of competitiveness of the enterprise by the method described above, which is based on the predefined criteria of success. The result of the comparative analysis of the indicators of rival companies is to determine the position of the investigated enterprise regarding the competitors, which underlies the further development of the institution's competition strategy portfolio.

As already mentioned, the process of competitiveness management should be systematic in order to help the enterprise to respond in time to changes in the environment, to compare compliance of its key success factors (KSF) with market key factors (MKF), to monitor mood and trends in consumer demand. Accordingly, the enterprise will take a leading position in the market if the following conditions are satisfied:

$$\mathbf{KFCDM} \rightarrow \mathbf{max} \quad (4.2)$$

$$\mathbf{KSF} \geq \mathbf{MKF} \quad (4.3)$$

The availability of operational and reliable information concerning the possibility of reducing competitiveness of the enterprise and factors that determine this decrease, will allow to take measures to manage competitiveness.

Managing institutions' competitiveness in modern conditions is impossible without an effective monitoring program for the competitive environment. Based on scientific research we have developed the technology of organization and implementation of benchmarking in the activity of restaurants, and the model of diagnostics of the enterprise state in a competitive environment.

First, it is necessary to determine the purpose and objectives of the competitive intelligence of an institution, which may relate both to the overall assessment of the competitive position of the studied enterprise in a competitive environment, and to compare the performance of business processes of competing entities. The purpose of the research should be consistent with the strategic goals of the institutions described above.

Second, it is important to identify the resources that will be used in the intelligence process. Benchmarking is not the activity of one person, but of the whole team, which should be strategically embedded into the business plan of the institution.

Third, it is important to identify what knowledge about competitors one needs to get for making decisions; to determine the ways of bringing

knowledge to individuals.

Fourth, to envisage actions for coordinating the intelligence program in the competitive environment of the enterprise and its internal environment.

The main requirement to the organization and implementation of the intelligence program is the comprehensive systematic approach to the achievement of the competitive advantage. The most important component of the benchmarking concept is the evaluation of internal business processes, the search for factors, which can measure the success or failure of the enterprise [5, p. 254].

In our opinion, business processes in the hospitality industry are a set of interconnected processes operating in the enterprise during its main functions: production, sale of products and organization of consumption, as well as the efficiency of the organization and management that provides competitive advantages (stimulation of realization).

The most important internal technologies of doing business include effectiveness of the organization of resource management, production, customer service, commercial, marketing activities, staff and enterprise as a whole, etc.

Depending on the choice of directions in which the benchmarking study is to be conducted, its type is selected (Table 4.1).

Table 4.1

The types of benchmarking those restaurant business establishments can choose

The types of benchmarking	Benchmarking characteristic
Strategic (general) benchmarking	It is aimed at studying the processes of competition existing in the market in different industries
Competitive benchmarking	Provides comparison of own products and business processes with similar positions of direct competitors
Benchmarking of processes or functional	Comparison of the efficiency of organization of certain business processes both with direct competitors and with the enterprises of other industries performing similar labor functions
Internal benchmarking	It is aimed at comparing the performance of different units of one's own enterprise, such as the production unit and purchasing department. In the networks of institutions you can compare the same function, for example, customer service, in different institutions

The next step is to reconsider the received information and develop managerial decisions concerning closing the gap between the institution and the business entity, improvement of business processes adapted to their own key success factors (KSF), key factors of their customer's decision-making (KFCDM).

The necessity to initiate hospitality benchmarking projects, in our opinion, is caused by the need to:

- rethink the existing and form new goals of the enterprise;
- search for the best ways to achieve the defined goals;
- determine the difference between the performance of the enterprise and its strongest competitors;
- provide radical improvements to ensure and increase competitiveness of the enterprise;
- identify the priorities of corporate restructuring;
- reduce time spent on product commercialization compared to competitors;
- predict new strategies of competitors.

Thus, managing the enterprise competitiveness means deliberate influence on the factors and conditions that shape it. In our opinion, competitiveness of the institutions means a complex of managerial steps, directed to research of the factors and conditions of the internal and external environment, which form competitive position of the company in the market, as well as to develop competitive strategies that will ensure the creation and support of long-term competitive advantages.

There are also two main criteria for a modern quality system: it should ensure high level of quality, its compliance with the standards and needs of consumers, and work as a tool for creating specific technologies for rational management of the enterprise.

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**APPLICATION
OF MODERN
METHODS OF
GOODS SALE IN
COMMODITY
LOSS
MANAGEMENT**

The specifics of trading activities, the need to constantly search for modern methods of servicing the population indicate the emergence of internal problems that need prompt regulation, timely warning and prevention. The transition to self-service trade is a powerful catalyst for increasing the problem of commodity losses in trading enterprises. Today, there is an active, purposeful and constant search for opportunities to cause losses to both staff and customers.

With the increase in the share of self-service stores, the expansion of trade enterprises, the growth of staff and the complexity of the organizational structure of retail trade enterprises, the problem of commodity losses occupies the first place in the world.

The peculiarity of commodity losses is that inventory losses are not formed on a one-time basis but are accumulated consecutively during the economic activity during the period between inventory and are revealed through inventory (except for actual losses), namely information is received with a considerable delay and reflects in the information unchangeable past events. An important nuance is that inventory losses cannot be avoided, but can only be minimized.