

COMPETITIVENESS AS THE MAIN FACTOR OF ENTERPRISE DEVELOPMENT IN MODERN CONDITIONS

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Introduction. For the Ukrainian economy, which is significantly affected by the conduct of hostilities, the question of achieving economic stability, autonomy, and viability for all economic institutions is particularly acute today. In this context, the relevance of in-depth research into the essence of competitiveness is significantly heightened, as it stands as one of the crucial prerequisites for a company's leadership in the market. After all, only a competitive enterprise, producing competitive goods, can emerge victorious in fierce competitive struggles and capture the corresponding market share.

Analysis of recent research and publications. The study of enterprise competitiveness has been undertaken by both "classical" figures in economic science (M. Porter [1], P. Dixon [2]) and contemporary researchers. Among the latter are O.G. Yankoviy, S.P. Yaroshenko, N.Ya. Sapotnitska [4], S. Povna [12], E. Pivoni-Ksheshovska, T.V. Hrynyoko, and others. Researchers such as N.V. Bezerukova, O.Yu. Amosov, O.Yu. Boyenko, K.V. Shymanska, and M.A. Mironyuk [11], L.M. Ivanenko, N.V. Didenko have identified the country brand as the object of their research.

Objectives of the article. The aim of the article is to delve into the essence of enterprise competitiveness and establish its significance for the development of Ukrainian entrepreneurship in the conditions of global economic and political upheavals.

The main material of the study. Modern economic science comprises thousands of diverse interpretations of the concept of "enterprise competitiveness." Each scholar endeavors to formulate their own understanding of this category, reflecting not only thoughts on the essence of competitiveness but also the professional experience gained earlier. The study of enterprise competitiveness by researchers has been ongoing for more than a decade. It is considered that the term "competitiveness" was first used by Michael Porter in the 1980s. Specifically, he defined competitiveness at the organizational level as an increase in productivity reflected either in lower costs or in differentiated products with premium prices [1].

Among other researchers, we mention one of the most prominent business thinkers, Patrick Dixon, who believes that competitiveness characterizes the level of productivity and overall efficiency of a company com-

pared to its competitors, as well as in relation to suppliers and meeting consumer demands [2]. William J. Stevenson considered competitiveness as an indicator of how effectively a company can satisfy consumer needs compared to other firms in the market offering similar goods or services [3].

Domestic researchers are also actively engaged in the study of company competitiveness, and their views can generally be classified into three approaches. According to the first approach, competitiveness is perceived as the ability of an economic entity to satisfy specific needs compared to similar entities (S.I. Arkhireev, V.F. Oberemchuk, S.V. Oborska). Another direction considers competitiveness primarily as the ability to produce competitive products (T.V. Hrynyko, S.P. Yaroshenko). The third approach is based on the view of competitiveness as a relative characteristic of a company's activities in the conditions of interacting factors related to competitive relations (L.I. Pronkina, A.A. Mazaraki). In general, enterprise competitiveness is often considered as the sustainable ability to secure or expand market share. This definition, in our opinion, significantly emphasizes the dynamic component of the essence of competitiveness.

The ambiguity in interpreting the term "competitiveness" has led to discrepancies in the classification system. As a result, types of competitiveness are categorized based on various characteristics, namely: territorial-geographical, the scale of the studied object, and time.

It is definitely necessary to understand that competitiveness serves as a kind of accelerator for the constant transformation of the market structure and a driving force for development of entrepreneurship. Entrepreneurs, meanwhile, are required to enhance their management systems and develop strategies that enable companies to survive in fierce competition and secure leadership positions. Famous American international business observer on global business, trade policy, and economic trends, J. Manzella, once identified five main strategies for achieving a high level of competitiveness:

- emphasis on core competencies of the enterprise. This strategy allows the company to focus on its main products, while all "secondary" manufacturing functions are delegated to outsourcing organizations;
- attraction and retention of "brains." In this case, it involves the search for new highly qualified specialists or supporting the training of existing personnel. This also includes the necessity of creating truly decent working conditions and providing corresponding salaries;
- maximum customer orientation. Experts recommend that companies become more customer-oriented;
- cost minimization. Modern companies should aim not only for significant profits but also for reducing the costs necessary for the company's operation;
- expansion of influence by increasing export potential and investment attractiveness. Nowadays, establishment of strategic partnerships, especially with foreign firms, is more than ever important for obtaining a competitive advantage [4, p. 50].

It is worth noting that competitiveness is a complex, multi-aspect economic category that can be studied at various levels such as at product, enterprise, industry, country, and even international associations level. Karl Weller believed that the determination of company competitiveness is often extrapolated to the entire economy of a country or its specific sectors. Therefore, the competitiveness of the national economy sector or the economic system of a country as a whole is considered as the combination of individual enterprises competitiveness [5].

The competitiveness of a country is an indicator influenced by economic, social, and political factors of the position of a country in the global market. Considering the activity of global transformative processes in the field of international economic relations, competitiveness should be also considered as ability of a state to withstand international competition in its domestic market and the markets of other countries.

In our opinion, it is necessary to emphasize that domestic enterprises are predominantly at an average or below-average level of competitiveness. Only a small part of companies can be classified as highly competitive organizations. The significant deterioration of this indicator is particularly explained by the coronavirus crisis caused by the COVID-19 pandemic [6]. However, the most substantial impact has been caused by the hostilities on the territory of Ukraine, which began in the east of the country in 2014 and escalated into a full-scale invasion by the Russian Federation in 2022.

From the beginning of the full-scale Russian military invasion in February 2022 until June 2023, the total amount of documented direct damages to residential and non-residential real estate, as well as other infrastructure, exceeded \$150.5 billion (in replacement cost) (Figure 1). Additionally, the sum of indirect damages inflicted on Ukraine, including losses in various sectors of the economy, additional war-related expenses, and future losses that the national economy will face due to the war, is \$265.6 billion [7, p. 3–4].

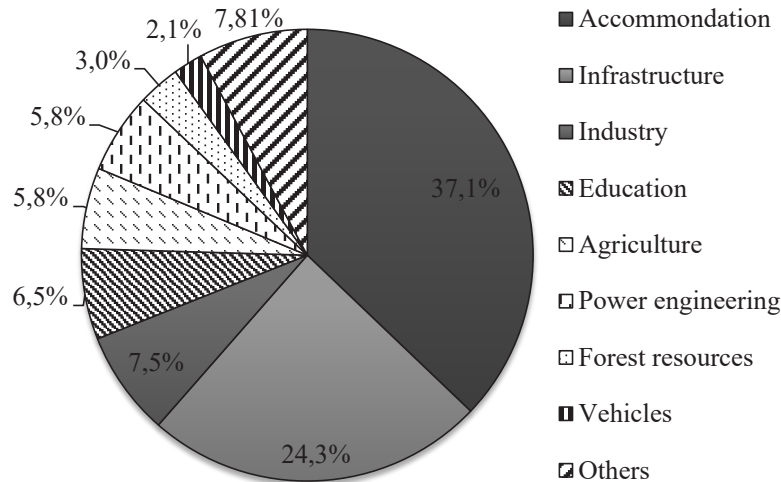


Figure 1. Structure of direct losses of the Ukrainian economy caused by war by type of property from February 2022 to June 2023

Source: compiled by the authors based on [7]

Therefore, from Figure 1, we can see that currently, the most affected sectors of the economy are residential construction, infrastructure, industry, education, and agriculture. The consequences of the war for the Ukrainian economy are no less evident in Figure 2, which illustrates the dynamics of exports and imports of goods and services for the period from 2010 to 2022 inclusive.

The constructed histogram shows that the most negative balance of Ukraine's foreign trade was in 2022, amounting to -25,737 million USD. Speaking about 2023, according to preliminary data from the National Bank of Ukraine (NBU), the export of goods in September of the current year decreased by 35.9%, while the import increased by 16.7%. The volumes of goods exported amounted to 2.5 billion USD, while the volumes of goods imported reached 5.4 billion USD. The deficit in services trade decreased to 716 million USD (compared to 1.2 billion USD in September 2022) due to a more significant reduction in the import of services (by 20%) compared to their export (by 3.8%) [8].

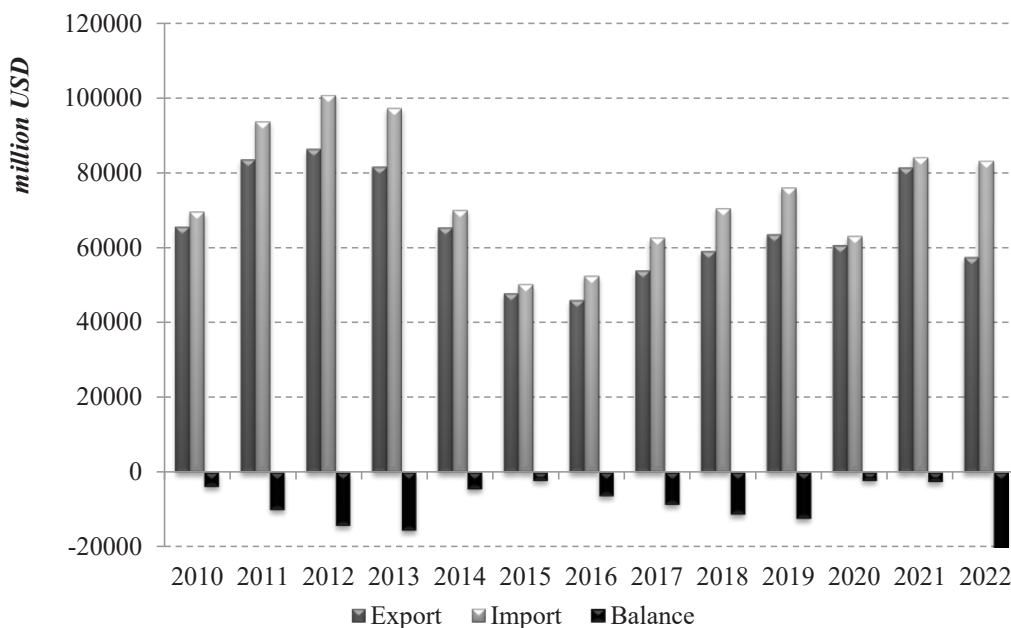


Figure 2. Dynamics of Ukraine's balance of payments during 2010–2022

Source: compiled by the authors based on [8]

It is worth noting that Russia's war against Ukraine has a global rather than a local impact. Consequently, the war has a negative effect on the economies of other countries. According to current estimates by IW Cologne based on IMF data, global production losses only in 2022 amounted to approximately 1.6 trillion dollars. The institute predicts further defaults of up to 1 trillion dollars by the end of 2023. About 40% of these losses fall on developing countries. In general, experts claim that global economic development has recently lost momentum due to an exceptionally tense geopolitical situation [9].

Thus, the overview of the current state of the country economy and the impact of global instability on the entrepreneurial sphere lead us to the following conclusion. To a large extent, especially in the conditions of war within the country, competitiveness is not just about a conventional strategy for competitive struggle, it is rather about the ability of an enterprise to survive or, in other words, to "keep afloat," to "take root" in a new way, and to plan the further direction of development.

Despite exceptionally challenging conditions, Ukrainian businesses continue to operate. Each month, an increasing number of companies resume their operation, gradually contributing to the growth of tax revenues to the budget. So, next we will take a brief look at what exactly has contributed to the recovery of the entrepreneurial sector in Ukraine in the conditions of war.

Undoubtedly, it is worth talking about the significant international support, particularly expressed through numerous grants and financial loans. As an example, the European Investment Bank (EIB) has decided to allocate approximately 30.7 million euros for various projects in Ukraine. This financing, supported by EU guarantees, aims to address infrastructure needs and urgent modernization issues in Ukrainian cities such as Kyiv, Odesa, Lviv, Lutsk, and Sumy [10]. In addition to this, the EIB has announced the establishment of the specialized fund "EU for Ukraine," which ensures additional financing for all sectors, including capital participation of private sector companies. The United States, in turn, has launched an entire program USAID's 'Competitive Economy of Ukraine.' This program is aimed at supporting startups, small and medium-sized enterprises to increase their competitiveness in the domestic market of Ukraine and in international markets. The support from the Federal Republic of Germany deserves no less attention as it is ready to allocate an additional 200 million euros for the reconstruction of Ukraine, directing these funds towards education, healthcare, water supply, and the rebuilding of cities [10].

The current need to increase the competitiveness of enterprises is also associated with the issue of the country brand formation. The last one can be understood as a set of emotional and rational perceptions that result from the comparison of all characteristic features of the country, personal experience, and rumours that influence the formation of a certain image of it. It is known that increasing of the national brand attractiveness

Table 1

Comparison of Flexible Enterprise Development Methodologies

Aspect	Kaizen	Agile
Area of application	Functioning of the enterprise	Project management
Country of origin	Japan, since the 1950s	The USA, since the 1990s
The main components	Quality Control (TQC), automation, robotics, proposal system, "just in time" concept, Kanban, and so on	Scrum, Lean (Lean Management), Kanban
Basic principles	<ul style="list-style-type: none"> – Customer orientation. – Quality is more important than profit. – Attention to problems with the aim of their resolution. Perfection of people. – Strict compliance with standards and their gradual improvement. – Management of the preliminary process. – Cross-functional management, coordination of actions of different departments. – Process thinking as a support for employees' commitment to excellence highlighting efforts in this direction. 	<ul style="list-style-type: none"> – The highest priority is customer satisfaction through regular and early delivery of valuable products. – Changes in requirements are welcomed even in the late stages of development. – Developers and business representatives must work together daily. – Communication is the best way to exchange information. – Constant attention to technical excellence and quality. – Systematic analysis of ways to improve efficiency and corresponding adjustment of work.
Conditions of implementation	Vision of imperfection; slow economic development	Uncertainty and rapid changes in the external environment.

has a positive impact on the attractiveness of its companies producing goods. In turn, increasing the number of strong brands of companies in a particular country and their effective promotion in the global market allows to strengthen the position of the country brand and to increase its competitiveness [11, p. 332].

In our opinion, the exchange of experience with international partners is no less important for increasing the competitiveness of enterprises. Thus, the theory of flexible organizational development methodologies came into domestic entrepreneurship through the study of global management practices. These methodologies like no other are aimed at enhancing competitiveness of an enterprise through continuous improvement and immediate response to changing market conditions. Among such methodologies, Kaizen and Agile have gained significant popularity, their comparative characteristic is provided in Table 1 [12, p. 65].

Another way to increase the competitiveness of enterprises is the implementation of so-called "digital twins." Digital twin technology is based on three key elements: previously acquired information, current data, and future data. Digital twins serve as a vivid example of intelligent manufacturing technologies gaining popularity through the implementation of the principles of the Industry 4.0 concept, creating a comprehensive and efficient system for processing large volumes of data within a company. For Ukrainian enterprises, digital twins are undoubtedly a very new and little-explored phenomenon, but one with great potential.

Conclusions. Summarizing the above, we can state that competitiveness is a multidimensional economic category that nowadays plays a crucial role in reflecting the viability of a company and its readiness for further development. Although the theoretical exploration of competitiveness has been ongoing for quite some time, new features of this category continue to be discovered in practice. Meanwhile, the tools to achieve high competitiveness are well-known but often completely new for domestic entrepreneurs. This is why Ukrainian companies are currently not competitive enough to build a powerful national brand and take a leadership position in the international market.

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JEL M21, O10

Svitlana Kulakova, Ph.D. in Economics, Senior Lecturer at the Department of Economics, Entrepreneurship, and Marketing. **Oksana Zhytnyk**, Master. **Anna Nesterenko**, Master, National University "Yuri Kondratyuk Poltava Polytechnic". **Nataliya Romanovska**, Ph.D. in Economics, Associate Professor, Researcher at the Department of Sectoral Forecasts and Market Analysis, Institute for Economics and Forecasting National Academy of Sciences of Ukraine. **Competitiveness as the main factor of enterprise development in modern conditions.**

Today it is more important than ever for a company to be a leader. By occupying a leading position in the market, an organization has access to the best resources, has more possible ways of development and, consequently, receives greater rewards compared to its competitors. However, it is worth understanding that market leadership also involves increased responsibility towards consumers and partners, as well as increasing risks that may arise during economic activity. A leading company does not appear out of nowhere; it earns its reputation in the competitive conditions that are an essential component of any modern market environment. Competition is the basis of competitiveness. The last one characterizes the ability of an enterprise to satisfy customer demands more successfully and have a certain competitive advantage. Ukrainian companies are mostly far from having a high level of competitiveness. This is due to numerous problems, including technological backwardness, low investment attractiveness or even imperfect management systems. However, in the conditions of globalization, conducting military operations within the country's territory, European integration, economic crisis and political instability, it is becoming much more difficult for enterprises to create a proper competitive environment and achieve high competitiveness. All of these increase the interest in studying competitiveness as a crucial category in modern economic science and determining ways to improve it for domestic economic entities. Thus, the study proved the importance of forming a high competitive level of an enterprise for its viability. The authors also state that international cooperation, financing, innovation and technological development and the choice of modern company management methodologies can be identified as areas for improving competitiveness. In addition, the article emphasizes the need to create a decent country brand. The last one is commonly understood as the combination of diverse characteristic features and exactly their symbiosis actually reflects the state's perception of itself as an autonomous unit of the international community with its peculiarities and advantages. Therefore, proper country branding will not only enhance the country's image in the global market but also contribute to the recovery and prosperity of domestic entrepreneurship.

Key words: competitiveness, development strategies, war, global transformations, international cooperation, country brand.

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JEL M21, O10

Кулакова Світлана Юріївна, кандидат економічних наук, доцент кафедри економіки, підприємництва та маркетингу. **Житник Оксана Миколаївна**, магістр. **Нестеренко Анна Володимирівна**, магістр, Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Романовська Наталія Іванівна**, кандидат економічних наук, доцент, науковий співробітник відділу секторальних прогнозів та кон'юнктури ринків, Державна установа «Інститут економіки та прогнозування Національної академії наук України». **Конкурентоспроможність як основний чинник розвитку підприємства в сучасних умовах.**

Сьогодні компанії як ніколи важливо бути лідером. Адже займаючи лідируючу позицію на ринку організація має доступ до найкращих ресурсів, має більше ймовірних шляхів розвитку та відповідно отримує більшу винагороду, ніж його конкуренти. Щоправда варто розуміти, що лідерство на ринку також несе за собою зростання відповідальності перед споживачами та партнерами, збільшення кількості ризиків, які можуть виникнути у процесі ведення господарської діяльності. Компанія-лідер не з'являється з нічого, вона загартовується й формує свою репутацію в умовах конкуренції, котра є неодмінною складовою будь-якого сучасного ринкового формування. Конкурентна боротьба це те, що лежить в основі конкурентоспроможності. Остання характеризує здатність підприємства більш успішно задовольняти запити споживачів і володіти при цьому певною конкурентною перевагою. Українські компанії у значній мірі далекі від високого рівня конкурентоспроможності. Це пояснюється численними проблемами, серед яких технологічна відсталість, низька інвестиційна привабливість, або ж навіть недосконалість побудови системи менеджменту. Однак в умовах глобалізації, ведення бойових дій на території країни, євроінтеграційного процесу, економічної кризи та політичної нестабільності формування належного конкурентного середовища та досягнення високої конкурентоспроможності підприємствами стає в рази складніше. Усе це посилює зацікавленість у дослідженні конкурентоспроможності як важливої категорії сучасної економічної науки та визначенні напрямків її покращення для вітчизняних господарюючих одиниць. Відтак, у ході дослідження було доведено важливість формування високого конкурентоздатного рівня підприємства для його життєздатності. Також автори зазначають, що серед напрямків покращення конкурентоспроможності можна виділити міжнародну співпрацю, фінансування, інноваційно-технологічний розвиток і обрання сучасних методологій управління компанією. Окрім цього, у статті дещо акцентується увага на необхідності формування гідного бренду країни. Під останнім прийнято розуміти сукупність різнопланових характерних ознак, і, власне, саме їх симбіоз відображає у першу чергу бачення держави самої себе як автономної одиниці міжнародної спільноти з її особливостями та перевагами. Тож належний брендинг країни дозволить не лише підвищити імідж держави на світовому ринку, а й сприятиме відновленню й розквіту вітчизняного підприємництва.

Ключові слова: конкурентоспроможність, стратегії розвитку, війна, глобальні трансформації, міжнародна співпраця, бренд країни.