

## **Management of the Competitiveness of Enterprises, Taking into Account the Preparation of Production**

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### **ABSTRACT**

*Every enterprise within our time is in a competitive environment that is constantly changing. Under the influence of the work of huge teams of marketers and specialists in other areas, aimed at promoting goods of a certain brand, the possibility of choosing goods and services is constantly growing and increasing. In the current market conditions, a certain flexibility and maneuverability of the enterprise is simply necessary. It also requires an individual approach to the consumer in the market and the ability of the enterprise to quickly respond to changes in demand and purchasing power of consumers.*

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**Relevance of the topic:** The term competitiveness is interpreted as “the property of a product, service, subject of market relations to act on the market on an equal footing with similar goods, services or competing subjects of market relations present there. Competitiveness is determined by a whole complex of various indicators, among them: the technical level of the product; the level of enterprise marketing and advertising and information support; competitiveness also includes compliance with consumer requirements, specifications and standards. Evaluation of this complex of properties makes it possible to single out high, medium or low competitiveness.

The primary goal of every enterprise is to create sustainable advantages over competitors, thereby becoming more and more competitive. This suggests that the company must make a profit, maintain a leadership position in the market, and also provide jobs for its employees. Simultaneously with the fulfillment of all the above tasks, it is necessary to maintain a sufficiently high level of customer satisfaction by offering them high quality goods and services.

**The purpose of the study** is to analyze the competitiveness of the enterprise and develop ways to improve it.

In accordance with the goal of the work, the following tasks are solved that determine the structure of the work:

- to study the theoretical foundations and economic essence of competition;
- to analyze the competitiveness and financial stability of the enterprise;

- on the basis of the identified reserves to give recommendations to improve the competitiveness of the enterprise.

**The object of the study** is an enterprise operating in competitive trade markets.

**The subject of the study** is the activity of the enterprise.

**Theoretical significance of the study:** Within the framework of classical economic theory, competition is considered as an integral element of the market mechanism. A. Smith interpreted competition as a behavioral category, when buyers, producers and sellers of various services and goods compete in the market for the most profitable sales and purchases. Competition is the "invisible hand" of the market, coordinating the activities of all participants in this process. Thus, competition is a force that ensures the interaction of supply and demand and balances the prices of various goods in the market. The so-called equilibrium price in the market is established as a result of rivalry between sellers and buyers.

**The practical significance of the study** is due to the competitiveness and financial condition of the enterprise.

**The methodological basis of the study** was the works of such authors as Azoev G.L., Chelenkov A.P., Akhmatova M., Popov E., Glisin F., Voronina, Porter M., Roman M.I., as well as legal documents, reporting of the enterprise and normative documents of the enterprise.

The competitiveness of any enterprise depends not only on the assets that it has at a certain point in time (technical equipment, personnel, etc.), but also on how quickly and efficiently enterprises can create the required assets and develop them. In other words, the ability of an enterprise to quickly recognize the need for certain assets (determine an adequate development strategy), develop the necessary business processes for their creation and development, and also attract capital to finance development plans depends on its competitiveness. Also, the level of competitiveness of the enterprise is greatly influenced by the scientific and technical level and the degree of perfection of production technology, the use of the latest inventions and discoveries, the introduction of modern means of production automation.

Competitiveness is influenced by the following groups of factors:

- internal (technologies and own innovative developments, the ability to produce a quality product, effective key business processes and qualified personnel, the ability to effectively and quickly respond to changes in the market, the ability to create new products);
- external (relations with consumers of goods and services, the possibility of establishing sales of products to fulfill orders from government agencies, communications and effective interaction with investors and banks).

According to M. Porter's model, the nature of competition in the industry is formed by five groups of factors (forces) that determine the marginal profit potential of this industry:

- The situation in a particular industry, or rivalry among sellers competing in a given market;
- Influence of substitute products, or competition from substitute products;
- Influence of potential competitors, or the threat of the emergence of new competitors;
- Influence of suppliers, or positions of suppliers, their economic opportunities;
- The influence of buyers, or the position of consumers, and their economic opportunities.

Each considered force of competition has a different effect on the situation. This impact differs both in direction and in significance on the situation in the industry, and the total impact of these forces ultimately determines the characteristics of competition in the industry as a whole, the profitability of the industry in question, as well as the place of the enterprise in the market and its success.

In the conditions of the modern market, successful existence and development is possible only if the enterprise has certain competitive advantages that create fertile ground for a high level of productivity and efficiency.

The following factors influence the efficiency of the enterprise:

- compliance of the planned goals with the requirements of the external environment, the capabilities of the enterprise and the interests of the personnel;
- adequacy of the chosen strategies to the set goals;
- the strength and direction of motivations that encourage members of the organization to achieve their goals;
- volume and quality of resources involved in production.

The first three factors characterize the strategic aspect of management effectiveness, and the last factor characterizes the tactical aspect.

The strategic and tactical aspects form two different sources of enterprise competitiveness: market positioning and current efficiency.

The market positioning of an enterprise, for the most part, is formed under the influence of factors of the external competitive environment and means the implementation of activities that are different from competitors or the implementation of activities of the same kind, but in other ways.

Depending on the behavior of the enterprise in the market, there are four main levels of competitiveness of the enterprise.

1. Managers of enterprises of this level consider the management function as something absolutely neutral. They see their leading role only in producing and selling products, while they do not show interest in the activities of competitors who are engaged in the production of similar goods and services. They are confident in the high level of competitiveness of their products, in the impeccable work of the divisions involved in the sale of finished products, as well as in the work of the marketing service.
2. Such enterprises strive to make their production systems externally neutral, that is, fully compliant with the standards set by their main competitors. They strive to borrow as much as possible all those techniques, technologies, methods of organizing production and labor that the leading enterprises of the industry do.
3. At the enterprises of the third level of competitiveness, the management system actively influences the production systems, i.e. production is, as it were, supported from within by all other divisions. Success in the competitive struggle in this case becomes a function not so much of production as of management. This can be manifested in a more economical management apparatus and higher efficiency in decision-making, in better motivation of employees, and the like.
4. Enterprises that have managed to achieve the fourth level of competitiveness are ahead of the competition for many years. Their production system is, as it were, supported from the outside. The effectiveness of such a system is influenced by internal factors, including management, and external factors, including the high quality of the organization and the efficiency of the overall management system. This approach provides the company with long-term success and long-term superiority over competitors in the market.

The competitiveness of a product, in contrast to its quality, is determined by the totality of only those specific properties that are of undoubted interest (utility) for a given buyer and ensure the satisfaction of each need, and other characteristics are not taken into account. All characteristics of the product that go beyond these interests are considered in the assessment of competitiveness as having no relation to it in these competitive conditions.

The next important function of managing the competitiveness of goods is to control the promotion of goods on the market. The essence of control operations is as follows:

- consumer requirements for goods are identified;
- a hierarchy of these requirements and comparative importance are established in relation to the properties of the product that the consumer is able to notice and evaluate;
- a comparison with the parameters of competing products is carried out.

The competitiveness of goods (products) and the competitiveness of the enterprise are closely interrelated and interdependent. On the one hand, the solution to the problem of the competitiveness of the goods is possible only in the conditions of the competitiveness of the enterprise, and on the other hand, the first determines the second, that is, it ensures the production of cost-effective products and helps to increase the efficiency of the enterprise.

Any product that is on the market, in fact, is tested there for the degree of satisfaction of social needs. Therefore, the competitiveness of a product, that is, the possibility of its commercially profitable sale and, accordingly, an increase in the competitiveness of an enterprise, can only be determined by comparing analogous products.

Thus, the indicator of competitiveness of products reflects almost all aspects of the life of the enterprise, its competitiveness.

### **Conclusion.**

In a market economy, an enterprise cannot take a stable position for a long time, relying in its strategy only on the indicator of product competitiveness. When entering a new market for an enterprise, as well as expanding production, making investments in order to modernize production, update the product range and improve its quality, it is necessary to assess the competitiveness of not the products, but the enterprise.

Unlike the competitiveness of a product, which can change in a short time, the sustainable competitiveness of an enterprise is achieved gradually over a long period of time and can be maintained for a long time. This is due to the fact that in order to achieve superiority over competitors in the relevant product market, at least one cycle of product renewal must go through, that is, the release of new products to the market. In addition, the effectiveness of the manufacturer's activity is assessed not only by the consumer, but also by the manufacturer himself, who ultimately decides whether it is profitable for him in these specific conditions to engage in the production of this particular product.

The ability of a company to compete in a particular product market directly depends on the competitiveness of its product and the totality of the economic methods of the company's activities that affect the results of competition. The production and sale of competitive goods and services is a general indicator of the viability of an enterprise, its ability to effectively use its financial, industrial, scientific, technical and human resources. At the same time, the ability of the enterprise to promptly and adequately respond to changes in the behavior of customers, their tastes and preferences is especially important.

In the context of increasing competition in the markets, the problem of creating and maintaining competitive advantages is one of the most urgent. Competition is the engine of economic progress. Societies that rely on competition achieve their goals more successfully than others, and it is competition that shows how to produce a product more efficiently.

The competitiveness of goods (products) and the competitiveness of the enterprise are closely interrelated and interdependent. On the one hand, the solution to the problem of the competitiveness of goods is possible only in the conditions of the competitiveness of the enterprise, and on the other hand, the first determines the second, that is, it ensures the production of cost-effective products and contributes to an increase in the efficiency of the enterprise.

Thus, the indicator of competitiveness of products reflects almost all aspects of the life of the enterprise, its competitiveness.

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