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STRATEGIC ALTERNATIVES IN THE FORMATION OF THE COMPETITIVENESS OF ENTERPRISES

Annotation. *The article considers strategic alternatives for increasing the competitiveness of enterprises.*

Key words: *competitiveness, enterprise, competitive advantages, market subject, strategy, strategic perspective.*

The necessity of creating alternatives is the possibility of implementing the same competitive advantages to achieve different goals. As a result these benefits can be used with various degree of effectiveness. Therefore, it determines the strategic direction of the market subject according to which existing competitive advantages will be used most effectively, ensuring the leading position of the market subject.

With this end in view it is advisable for each market subject to conduct a competitive segmentation that allows to choose the most appropriate segment of the market in which the market agent will be able to take a leading position.

This statement lies in the fact that the most consumer markets are represented by different groups of consumers, which require different approaches to service their needs. Therefore, if the subject of the market will be able to satisfy consumer needs of a specific market segment, it will form a leading position in this segment, achieving strategic competitiveness.

The issues of competition and competitiveness is investigated in the works of famous foreign scientists D. X. Jacot, F. Kotler, M. H. Meskon, M. Porter, J. Stiglair, A. J. Strickland, A. A. Thompson, as well as leading Ukrainian and Russian specialists: C. Abdishev, Azov, A. Grad, M. Galvanovskii, P. Zavialov, I. Smolin, R. Fatkhutdinov, A. Yudanov.

However, there are not fully investigated questions which concern the definition of strategic alternatives as for the establishment and competitiveness of enterprises.

The aim of the article is the theoretical argumentation of the ways to identify strategic alternatives for the formation of enterprises' competitiveness.

Competitiveness is a subjective category that can only be determined in the process of competition and competitiveness of enterprises in the market [1; 2; 3;]. Competitive advantages are those basic conditions, which allow the subject of the market to compete effectively with other companies. It follows that certain competitive advantages should be considered as elements of the competitiveness. The tool for achieving the competitiveness and the implementation of competitive advantages is the competitive strategy of the enterprise [4; 5].

The competitiveness of the market subjects acts as a complex, integrated feature of their work, that reflecting the successful functioning of the enterprise in a competitive market during the preservation and expansion of its market position, provides the ability to use

resources effectively and to obtain in the conditions of moderate risk a profit in the amount not lower than the corresponding figure of competitors [6].

Taking into account the conditions of the external surrounding, that have a significant impact on the activity of the subject and its internal capabilities, the market subject selects the segment, where it will be able to implement its competitive advantages effectively and achieve leading positions. Of course, market participants may be at different segments of the market, where they may not be leaders, answering the individual demands of consumers of the given segment. The solution of this problem has two variants: first, the output from these segments and directing resources to those segments of the market, where the company has leading positions; second, optimization of the presence level on these segments by minimizing the cost of stay of the market subject on this segment. The second variant is typical for companies that are planning in future to provide an active strategy for capturing leading positions in this segment. Therefore, such a presence is linked with the study of functioning in this segment and the formation among potential customers the image of presence and a long stay market subject. Costs of the market subject at this stage of stay on the above mentioned segment should be minimal, because without a not formed sufficient capacity, which would have allowed the company to occupy the leading positions, any overconsumption for the promotion of goods on the market will not provide adequate repaying, as the market subject will lose compared to the incumbent leader of this market segment.

So, along with the main segments of the market, where market participants hold leading positions, among strategic alternatives can be alternatives of presence on the several market segments that are potentially attractive to the market subject, but at the moment of formation of the current strategy they do not allow the subject to get the leading positions.

As for joint investment institutions, this stage has no specific features: all three under phases are typical for the mechanism of the formation of the strategic competitiveness.

The definition of the strategic alternative is the third step in the formation of the strategic competitiveness. At this stage, the subject of the market forms a development strategy, which includes the formation of the goals of the market subject` activity, as well as the development of methods to achieve the goals. At the first sight this stage is not large-scale and long-lasting in comparison with others. However, it does not diminish its importance in the formation of the strategic competitiveness. Moreover, we may affirm that this stage is the most important in the whole process of the formation of the strategic competitiveness, as the correct choice of the strategy depends on the future market subject: incorrect formed strategy does not only lead to the loss of the strategic competitiveness of the market subject, but may lead to the elimination of the last. That is why at this stage only senior executives and highly qualified specialists and experts are involved [7].

Note that the process of determining the level of the subject`s competitiveness consists of:

- the characteristics of the trends in the industry`s development;
- the identification of competitors and analysis of their activities;
- the determination of the strengths and weaknesses of the subject in relation to main competitors;
- the definition of competitive position;
- the definition of competitive advantages, which are the basis of competitiveness.

Having formed a strategy for the development of a market subject, to achieve the strategic competitiveness, market subject proceeds to the fourth and final stage of the

formation of the strategic competitiveness - the implementation strategy that includes:

- the creation of the organizational structure that is able to execute its strategy successfully;*
- the efficient use of resources in those activities that determine strategic success;*
- the appropriate strategy courses and procedures;*
- the implementation of the best practices and tactics to ensure the continuous development and improvement;*
- the installation of support systems that create opportunities for company's personnel to implement its strategic role successfully;*
- to link the system of remuneration and incentive with the fulfillment at a high level and the achievement of goals;*
- the creation of the working surrounding and corporate culture that support the strategy;*
- the formation of the internal leadership to implement the strategy and its improvement in the implementation process.*

In most scientific studies they say that the implementation strategy is the most difficult stage of the formation of the strategic competitiveness, because the previous stages represented operations with arrays of information of past events, as well as the results of the process of creative thinking. In turn, the implementation of the strategy is the action for the future, which contains elements of uncertainty. It makes impossible to predict all possible changes in the strategy process exactly. In addition, the implementation strategy is a complex, multiaspect mechanism [8; 9].

Therefore, when we develop a strategy, it is impossible to consider all the components of this process, and as a consequence, this neglect can lead to the complication of the process of effective implementation of the strategy, as a result before the leadership of the dominated subject arises the necessity to include in the strategy process all parts of the company that would be able to implement the strategy effectively, and to improve the implementation of the strategy. In general, the process of forming of the strategic competitiveness can be represented as follows (Fig. 1).

Therefore, only with the help of the effective implementation of each stage of the formation of strategic competitiveness, the market subject will be able to achieve its goals and to take leading positions on the market or at a particular segment of the market.

It should be noted that the formation of the strategic competitiveness, as directly the strategy of the development of a market subject, is a continuous process where at the same time all the stages of the formation of the strategic competitiveness are combined. Such a division into stages is a logical chain of forming strategic competitiveness, which in real life is not clear. In this regard, the market subject has not a defined long term strategy; it is constantly changing, as well as internal and external conditions are changing too. In this case, the criterion for the achievement of the strategic goals is the characteristic of the market subject to be strategically competitive.

Thus, strategic competitiveness is an indicator of effective strategic management of the market subject, which occupies leading positions, and only this characteristic remains unchangeable in the process of management of the economic subject in achieving its goals. It raises the question of identifying and assessing such characteristics of the market subject, as a strategic competitiveness, as it will allow, firstly, to identify the quality of the management by a strategic subject, and secondly, on the basis of the assessment to develop a course of actions to improve the level of the strategic competitiveness.

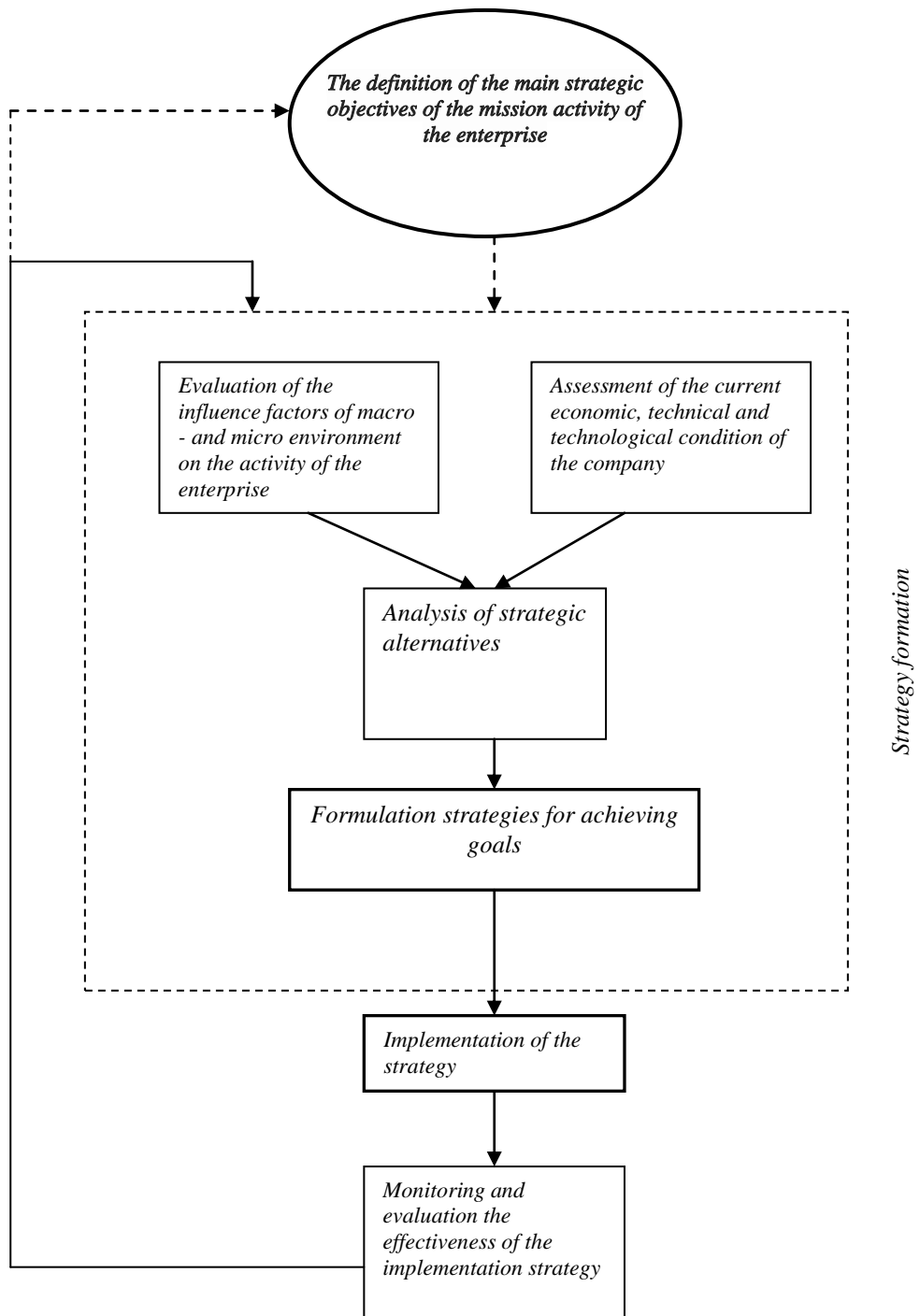


Fig.1. The process of strategic competitiveness on the enterprise

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