

Ways to Improve the Supply Chain Management Mechanism of the Firm's Competitiveness

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Abstract— In the era of globalization and internationalization of the economy, competitiveness is one of the main criteria for its effectiveness. Today it is impossible to find a market in which there is no competition, so the problem of competitiveness of the firm is relevant and requires constant research. There are many definitions of the concept of managing a firm's competitiveness. In this article, after analyzing the different approaches, a generalized definition is derived. In unstable market conditions, the success of the firm in the market depends on its competitiveness, timely establishment of strategic goals, flexibility of the production system, which is ensured by the accuracy and timeliness of management decisions.

Effective management of the firm in the market conditions is essentially reduced to the management of its competitiveness (to the assessment and analysis of factors that increase or decrease the competitiveness of the firm, the choice and implementation of appropriate strategies and tactics to achieve a particular goal). Since today in the world of high technology it is more difficult for a firm to survive, the firms themselves, which use as many methods of management as possible, will be more interesting for investors, what is the result of the introduction of certain innovations. The purpose of management in this situation is to react to innovations and changes in time. The article highlights a number of key factors affecting the competitiveness of the firm and management decision-making, the management tools of competitiveness management.

Keywords— competitiveness, supply chain management mechanism, improvement, management tools.

1. Introduction

An important task of the firm's management is to ensure a high competitive status, and to maintain its leading position for a long time. A necessary step is to ensure the sustainability and flexibility of the firm's performance and management system. These characteristics combine the concept of firm competitiveness.

The situation in which the business today is needs drastic and decisive actions that will ensure the survival and effective functioning of firms in the market.

Competitiveness of firms is the basis of competitiveness of the national economy, so this problem should be solved not only at the level of the firm, but also at the level of public administration. In today's market, to consolidate the long-term sustainable positions of the most entrepreneurial economic entities is not enough, it is also necessary to have an effective state and regional policy in the field of creating an appropriate economic and legal environment and supporting the firms' efforts to improve their competitiveness [1-12].

The main role in the firm's competitiveness management system plays the management of competitiveness of products, formed at the stages of its development, production and implementation. An important element in this category is the introduction of scientific and technical base of production in accordance with international quality standards. Quality of goods is the main lever of ensuring competitiveness of firm in the market [13-18].

The organization must be able to adapt to work with different innovative forms through management, adaptation and formation of new competencies. Profile activity of enterprises is suitable for the gradual introduction of not very radical innovations that ensure the stable development of the company. Special support is required for more decisive innovations, in particular, the formation of their own competencies, the search for new competencies in external sources. Automatically development falls into the risk management zone, which requires a special approach to risk analysis, special business processes and, as a result, the formation of special innovation and venture units. There are many examples of success of these structures in the development of innovative products to improve the competitiveness of the firm [20-23].

Thus, in order to ensure the life of the firm in the market, it is necessary to constantly monitor the level of competitiveness and direct all the potential to ensure long-term stable positions in a competitive environment, which guarantees a stable income and long-term existence of the firm in the market.

2. Methods

Management of the firm's competitiveness is a set of management decisions and actions aimed to ensure long-term sustainable competitive advantages in the market by constantly monitoring the actions of competitors and countering possible external influences of the market environment [2].

On the other hand, the problem-solving process involves the introduction of new methods of company management based on the experience of other foreign firms or available information. This leads to the need for management interaction at all levels and the use of a number of methodologies to form effective management systems that can create and reorganize work in such a way as to improve business management. For example:

- access to decision support systems (DSS));
- implementation of artificial intelligence systems to solve simple operational tasks;
- introduction of experts to identify problem areas;
- creation of information repositories and databases.

These radical methods should become the memory of the firm's artificial system; they can independently identify problems and offer solutions. This allows you to launch large-scale and

complex organizational processes within the firm and train them in self-adaptation within your own capabilities, which is a kind of synergetic influence in a particular firm.

The practice of foreign firms, which occupy a leading position in the market, shows that the policy of many leading corporations includes:

- 1- formation of open platforms, alliances and partnerships for technology development;
- 2-promotion of diversity in recruitment;
- 3-organizational mechanism of cross-functional working groups, project management;
- 4-strengthening and development of relations between firms up to building long-term partnerships;
- 5 – the formation of a special incubation units;
- 6 - high level of flexibility and dynamics.

Competitiveness is a relative concept because it can only be defined by comparing individual characteristics of an enterprise with those of other firms. The concept of absolute competitiveness is almost impossible: a firm that occupies a leading position in the national market can occupy low positions in international markets [3]. The essence of the concept of "firm competitiveness" is considered in the following aspects (table 1).

Table 1. Aspects of the concept of "competitiveness [4] "

Aspect	Characteristic
economic	an indicator characterized by dynamism (changes in which are influenced by both external and internal factors) and relativity (the basis for comparison are similar indicators of competing enterprises or reference (ideal) firms)
strategic	a tool that forms a unique way of the firm's development, efficient use of its financial, production, scientific, technical and labor resources
control	ensures the production of products of the desired quality in specific markets and in the required quantity

The need to manage the competitiveness of the firm is caused, first of all, by dynamic changes in the market, the emergence of difficult to predict economic and financial situations. The competitiveness of a firm depends on the growth rate of its market share, the attractiveness of the industry in which it operates, the product life cycle, the chosen position relative to competitors, the level of diversification and differentiation of products.

It should be noted that in order to fully assess the competitiveness of the firm, it is necessary to take into account all three groups of indicators, otherwise the assessment will be unreliable.

Strategically important direction of increasing competitiveness in modern conditions is focused on the creation and production of new products that meet the ever-growing demands of consumers, improving the existing due to new technologies. When developing a product range, it is effective to use the matrix of the Boston consulting group, which provides appropriate strategies for each type of product [5]. The use of this matrix will help to

get rid of junk products and highlight the product which is in greatest demand, and therefore increase the competitive ability in the market.

The analysis of existing approaches in the economic literature allowed to determine that competitive advantage is a relative category, which reveals itself in a competitive environment, characterized by a certain stability and efficiency, the ability to adapt to changing conditions and determines the possibility of more efficient functioning of the company compared to competitors.

There are a lot of different methods of assessing competitiveness: price, non-price, time factor, etc. Special attention should be paid to the technical options, namely: power, reliability, etc.

Another approach involves the following classification of criteria and indicators of competitiveness, as: efficient production activities of the firm, its financial position, and marketing and distribution channels.

The competitiveness assessment should contain the indicators shown in figure 1.

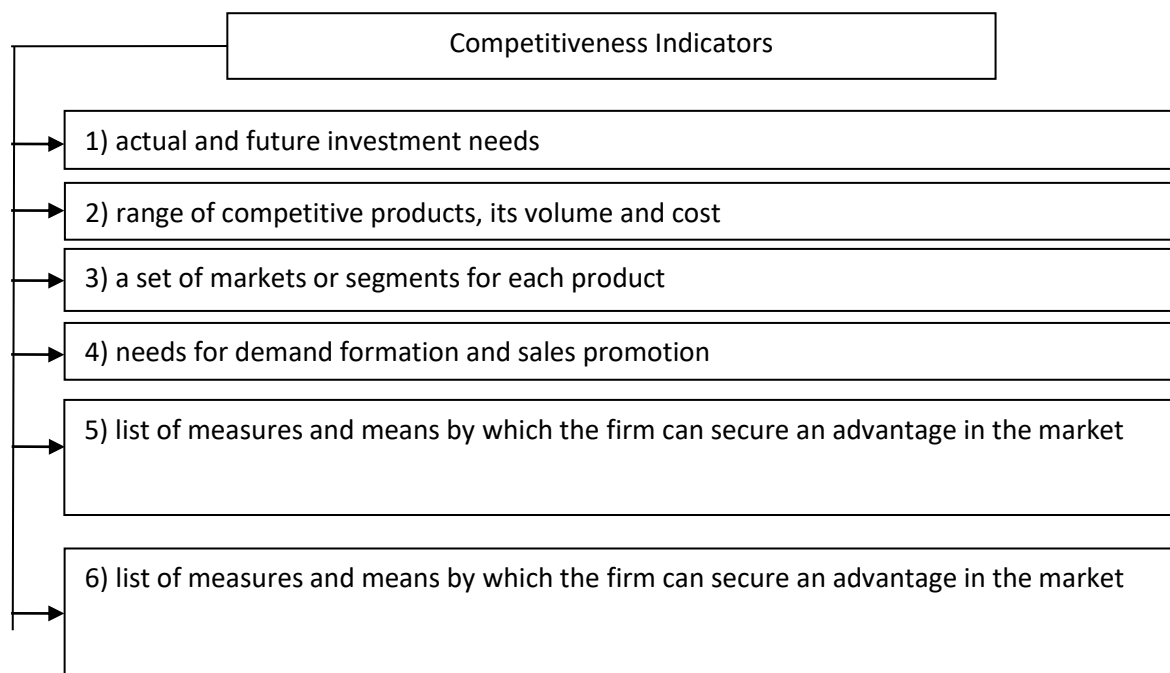


Figure 1. Indicators assessing the competitiveness of the firm [6]

Today, some scientists raise the problem of increasing competitiveness at the state level. Therefore, the ways of solving this problem, where most of them belong to the field of management, are proposed:

- conducting fundamental research on the formation of the principles of management of the most important economic, social and production systems;
 - application of scientific approaches (system, marketing, functional, reproductive, normative, etc.) to management and development of management decisions.);
 - consideration of management functions as a single process of execution of works on strategic marketing, planning, organization of processes, accounting and control, motivation, regulation [7].
- Such a ranking ratio of interrelated terms as "competitiveness" and "management" is quite legitimate. Because of this, it should be argued that improving the competitiveness of the firm depends directly on improving the quality of its management.

3. Results and Discussion

Management tools of competitiveness management can be divided into seven groups, the main of which is the group of competitiveness' tools of the entire management system, and the other six correspond to the functional areas of management. The tools of competitiveness of the management system include tools that provide certain competitive advantages of the management system of the firm over the management systems of other

organizations. As you know, the management system is a mechanism, process, management structure, mechanism of development and art of management. Therefore, the following tools are used to ensure the competitiveness of these elements: mission, goals, objectives, functions, methods, solutions, leadership style and management technologies [8].

The modern world is a time of emergence of new management and production methods, total competition, struggle for survival, globalization processes and constantly changing external environment. All these changes set new challenges for management. With the rapid growth of the firm, the volume of production, and as a consequence of the deterioration of the financial condition and the complexity of the processes of control over the firm, business processes go to the next level. In this regard, there is a new task - to ensure effective and actual manageability of the business. Solving these problems involves the introduction of new ways to manage the firm, based on the experience of foreign and Russian enterprises. This needs the interaction of management at each level and the use of a large number of ways to create effective information electronic systems that can transform and structure the work so that the manageability of the firm increased. For example: the formation of information repositories and databases; the involvement of experts to identify defective moments; implementation of systems such as "artificial intelligence" to solve relatively simple operational problems; acquisition of access to decision support systems (DSS) [9, 20]. Such modern methods can become a kind of artificial

system memory of the company, able to independently identify problems and recommend ways to solve them. This makes it possible to run complex and voluminous processes of self-organization of the firm.

It is impossible to ensure a sufficient level of competitiveness of the firm without managing the processes taking place within it. The object of the firm's competitiveness management is the factors that influence it, creating new opportunities to ensure the firm's ability to compete successfully in a particular market in a given period of time, or imposing certain restrictions.

Functions of marketing management of competitiveness of a firm are rather independent, specialized, concrete types of activity which allocate on the corresponding signs. They have a clear meaning, as well as a process that ensures the implementation of a certain set of tasks by special methods and techniques [10, 18, 19].

Tactical marketing plans to ensure the competitiveness of the firm are based on short - and medium-term forecasts, taking into account the possibility of a significant deviation of the actual values of the indicators from the forecast. The result of such plans is the formation of alternative forecasts and scenarios for the development of the situation to ensure the competitiveness of the firm [11-17].

Control in the management of the firm's competitiveness is a means of assessing the effectiveness and completeness of the firm's marketing plans in terms of the set and implemented goals to ensure the necessary level of competitiveness.

Marketing motivational mechanism is one of the components of the mechanism of consumer interest in the acquisition of the firm's products. Careful implementation of management measures will ensure the production of quality products and, on this basis, the full satisfaction of consumer needs.

4. Summary

System of competitiveness management of the firm must be dynamic, for which it must be constantly improved. Under the management of the competitiveness of the firm are understood the general functions of management, which determine the strategy and policy in the field of creation and implementation of competitive goods, goals and responsibilities in this field of business entities. The implementation of the management goal is carried out by means of such means as planning of competitiveness, operational management, its provision and improving the efficiency of management.

5. Conclusions

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The introduction of effective marketing management of competitiveness is a priority that confronts domestic firms to ensure and improve the level of effectiveness of their activities.

Effective marketing management of the firm's competitiveness will help to ensure a high level of its adaptability, dynamic correspondence between the marketing potential and the market position, will minimize the risks of entrepreneurial activity, control the external and internal situation, determine strategic goals, regulate management activities and market behavior in difficult conditions of economic development.

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