

FINAL QUALIFYING PAPER

on the topic:

"Developing of the trade enterprise' competitive strategy"

(on the materials of "ENECOM-T" Ltd., Cherkassy)

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ВИПУСКНА КВАЛІФІКАЦІЙНА РОБОТА

на тему:

" Розробка конкурентної стратегії торговельного підприємства "

(за матеріалами ТОВ "ЕНЕКОМ-Т", Черкаси)

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INTRODUCTION

Relevance of the topic. In modern economic conditions, producers of products or service providers are under constant competitive pressure, so the question of survival and development of the enterprise constantly arises. The ability to withstand competition is characterized by such an economic category as competitiveness.

The term "competitiveness" is applied to goods or products, producers or service providers, regions, and even individual countries and national economies. Of course, the essence of this concept is differentiated in a certain way depending on the category of application, but the only thing is that the concept of "competitiveness" reflects the ability of the research object to effectively perform the functions assigned to it in market competitive conditions.

Analysis of recent research and publications. The scientific heritage of domestic and foreign scientists in the outlined range of issues indicates the diversity of research related to competition and competitiveness of business entities. So, especially to emphasize the works of R. A. Fatkhutdinov, V. G. Shinkarenko, P. S. Zavyalov, G. L. Azoev, N. I. Pertsovsky, S. M. Klimenko and a number of other equally famous scientists.

The theoretical property of the theory of competitiveness is also the scientific works of foreign and domestic economists: I. P. Arnaut, Z. A. Vasilyeva, M. E. Porter, A. P. Gradov, V. G. Shinkarenko, P. Yu. Belenkiy, M. O. Ermolov, S. P. Yaroshenko et al.

The insufficient level of competitiveness of trade enterprises, the lack of theoretical developments in the development of the competitive environment determined the purpose of this study.

The **purpose** of the research is to substantiate theoretical and methodological provisions and develop scientific and practical directions for improving enterprise competitiveness strategies in modern conditions.

In accordance with this goal the following tasks are set:

- to define the concept of enterprise competitiveness in the process of strategic management;
- to identify methods and Indicators for assessing the competitiveness of the enterprise;
 - to analyze of competitors in the market;
- to identify of strengths and weaknesses of trading strategy in "ENECOM-T" Ltd.;
- to research measures for making a competitive trade strategy for "ENECOM-T" Ltd.;
- to find out projected improvements in the company after applying a competitive trade strategy.

The **subject** of research is the process of managing enterprise competitiveness strategies.

The **object** of the research is the theoretical and practical foundations of enterprise competitiveness management.

Research **methods**. The analysis is based on systematic and structural-functional approaches and methods of economic research: empirical, statistical, factor, and comparative analysis.

The **information** base of the research was official statistical data of the State Statistics Committee of Ukraine, the Ministry of Economy, legislative and other regulatory legal acts, monographic works and scientific publications, data from accounting and statistical reporting of enterprises, financial statements of the enterprise.

Structure of the work. The thesis consists of an introduction, two parts, conclusions, a list of sources used, and appendice.

PART 1. THEORETICAL FUNDAMENTALS OF COMPANY COMPETITIVENESS STRATEGIES

1.1 The concept of enterprise competitiveness in the process of strategic management

The study of the concept of "enterprise competitiveness" involves clarifying the essence of the category "competition", since they are closely interrelated - competitiveness can only be discussed if there is competition between producers of certain products (services).

Competition (from Latin concurentia - to face, to compete) - competition between commodity producers for the most favorable, economically favorable conditions for the production and sale of products [18: 114]. Competition forces business entities not to stop there, but to constantly improve themselves, reduce production costs, improve the quality of products (services) offered on the market, and increase their competitiveness.

According to the law of Ukraine "On the protection of economic competition", "economic competition is a competition between business entities in order to obtain advantages over other business entities due to their own achievements, as a result of which consumers, business entities have the opportunity to choose between several sellers, buyers, and a separate business entity cannot determine the conditions for the turnover of goods on the market" [1].

At the present stage, there are a large number of interpretations of the term "competition" (table 1.1).

Analyzing the definitions of competition proposed by various scientistseconomists, it could be concluded that they all take into account such qualities as dynamism, compulsion, unity of competitive and monopolistic foundations, connection with innovation processes and in each case its content is determined depending on the goals in connection with which it is formed. Based on this, it is possible to define competition as a set of objective relations, primarily economic, between business entities in market conditions that have a dynamic character of constant competition of commodity producers for consumer favor based on certain advantages of their products (services).

Table 1.1 Scientific approaches to defining the essence of the concept of "competition"

Scientist	Definition of "competition»
Azoev G. L., Zavyalov P. S., Raizberg B. A.	The economic process of interaction, interrelation and struggle between enterprises operating in the market in order to provide better sales opportunities for their products, meet various customer needs
Kiperman G. Ya.	The process of interaction, interrelation and struggle of manufacturers and suppliers in the sale of products, economic rivalry between separate producers or suppliers of goods (services) for the most favorable sales conditions
McConnell K. R., Brew S. L.	Presence more independent buyers and sellers on the market and being able for them to freely enter and leave the market
Pertsovsky N. I.	The process of managing an entity's own competitive advantages in order to achieve its goals in the fight against competitors to meet objective or subjective needs within the framework of legislation or in natural conditions.

Source: formed on the basis of [2, 480 p.]

The modern interpretation of economic competition has its own characteristics:

- civilized nature of the struggle based on the competition of business entities;
- similarity or interchangeability of goods of competing enterprises;
- identity or proximity of the needs of consumers in respect of whom the competitor is fighting;
 - manage your own competitive advantages;
 - commonality, similarity of the goal for which rivalry arises;

- limited ability of each of the competing parties to influence the conditions of circulation of goods on the market due to independent actions of other parties.

The essence of competition can also be understood through the functions it performs. An entrepreneur should understand the needs of consumers and offer products that meet these needs. Thus, with the help of the regulation function, factors of production under the influence of price are directed to those industries where they are most needed.

The incentive function (or motivation function) forces businesses to strive for higher productivity. For an entrepreneur, competition is both a chance and a risk, that is, enterprises that offer better products or produce them at lower costs make a profit and, conversely, receive punishment in the form of losses if they do not take into account the wishes of consumers or violation of competition rules by their competitors in the market.

Thanks to the pricing function, competition affects the level of individual costs for the production of any product, reducing them to socially necessary ones, which, in turn, determine the balanced market price of the product.

Thanks to the distribution function, competition distributes income among business entities in accordance with their effective contribution, which corresponds to the main principle of competition - remuneration based on results.

Through the control function, competition acts as a force that counteracts the emergence of stable economic power of individual market entities. In other words, competition limits and controls the economic capacity of each enterprise. For example, if a monopolist can set the only possible price, then competition gives the buyer the opportunity to choose among several sellers.

Another important function of competition is innovation. In order to be able to generate additional income without increasing the price of products, it is necessary to constantly improve the technological base of production, introduce the latest technologies and progressive forms of organizing the production process, thereby reducing production costs. Those who carry out such activities receive additional

income. At the same time, those entrepreneurs who are unable to implement such measures will be forced out of the market. Consequently, competition acts as a force that ensures scientific, technical and economic progress.

As a result, it can be noted that the main task and main function of competition is to conquer the market, win their competitors in the fight for the consumer, and ensure a sustainable profit.

In addition, the essence of competition is expressed by certain forces that encourage its development, regardless of whether it operates only in the domestic market or in the foreign market. Thus, according to the theory of competition, M. Porter there are 5 driving forces of competition:

- 1. Irresistible penetration of new competitors into the market and industry.
- 2. The threat of the appearance on the market of substitute goods produced using a different technology.
 - 3. Limited buyer properties.
 - 4. Inexhaustible opportunities of manufacturers.
 - 5. Constant competition between existing and new businesses.

The action of each competitive force is unpredictable, so it must be determined. The ability of an enterprise to participate in competition creates a qualitatively new indicator of its successful activity in a particular market - the concept of competitiveness [8: 44-45].

Competitiveness (that is, the ability) of an enterprise to compete in the basic industry, in intersectoral and world markets is a complex category, its advantages are finally realized through trade, but the basis of competitive advantages is created at all levels of social production, including to a large extent due to structural adjustment and effective economic policy [17].

Different scientists have different views on the category of "competitiveness". For example, R. A. Fatkhutdinov considers competitiveness as "a property of an object that

is characterized by the degree of real or potential satisfaction of a specific need in comparison with similar objects in a given market" [11: 22].

In the "Big economic dictionary" (Ed. A. N. Azrilian) a fairly general interpretation is given: "Competitiveness is a property of a product on a par with similar goods, services or competing subjects of market relations present there" [11: 22].

Russian scientists M. Helvanovsky, V. Zhukovskaya, I. Trofimova consider the concept of competitiveness in a broad sense: "Competitiveness in the most general form is the possession of properties that create advantages for the subject of economic competition" [11: 22].

Differences and diversity of the author's positions regarding the definition of the concept of competitiveness is associated with:

- identification of the competitiveness of the enterprise and the competitiveness of products or services;
- the scale of consideration of competitiveness: in the regional, national or global market (enterprise, industry, country);
 - replacing one concept with another (competitive status, competitive level);
- characteristic of any component of the enterprise's competitiveness: competitiveness of production and labor potential [21].

Despite different approaches to determining its essence, researchers note the comparative and temporal (dynamic) nature of this indicator:

- comparative character means that competitiveness is not a phenomenon inherent in a particular object; it does not follow from its internal nature, but manifests itself only when comparing this object with others; it can be evaluated by comparing the most significant performance indicators of enterprises; the result of this comparison is to determine the level of competitiveness;
- the temporal nature (dynamism) means that the level of competitiveness of an enterprise achieved in a certain period of time cannot be considered as a long-term characteristic of its market position; the opposition of other business entities, the

determination and activity of their competitive strategies can lead to the loss of the achieved position and a decrease in the level of competitiveness [21].

Analysis of numerous definitions of the category "competitiveness" allowed to distinguish the classification of this concept by the following features (table. 1.2)

Table 1.2 Classification of competitiveness

Attribute	Types of competitiveness		
Territorial and geographical sphere	International		
TEKKHTEKKHTEK	Internal-national		
WITE WUTE WUTE	 Regional 		
2. Level of competing objects	Industries (complex of industries)		
KUNTE KUNTE KUNT	• Enterprises		
EX MUTEN WUTEN KIN	• Products		
3. Fixing in time	On a specific date in the past		
HIE KNUTE KNUTE	• Current		
INTERY KINTEN KINTE	• Forecast		

Source: formed on the basis of [11, 7 p.]

The concept of "competitiveness" is applied to various objects and taking into account their characteristics.

The competitiveness of an industry is determined by the availability of technical, economic and organizational conditions for the creation, production and marketing (with costs no higher than international) of high-quality products that meet the requirements of specific consumer groups. The competitiveness of an industry is understood as the efficiency of individual sectors of the national economy, which is evaluated, in addition to traditional criteria, by indicators that characterize and describe the degree of survivability and dynamism of the industry under various options for the development of the economy of a given country and the whole world as a whole. The competitiveness

of an industry is the ability not only to win a competition, but also to take an active part in it.

The competitiveness of a product reflects its ability to more fully meet the needs of customers in comparison with similar products presented on the market. It is determined by competitive advantages: the quality of the product, its technical level, consumer properties, prices set by sellers of goods; advantages in warranty and postwarranty service, advertising, the manufacturer's image, as well as the market situation, fluctuations in demand. The high level of competitiveness of the product indicates the expediency of its production and the possibility of profitable sales [21].

At the same time, the competitiveness of the product should take into account the requirements and capabilities of specific groups of customers as much as possible. The reasons for the competitiveness of a product should be sought in the competitive advantages of its individual characteristics, which is a consequence of more effective management at the stages of development, sale and operation of the offered products.

Most scientists on this issue suggest combining the concepts of "product competitiveness" and "enterprise competitiveness" into one, but this statement will not be entirely correct, since the buyer does not always know which manufacturer this product belongs to, and even if he knows the name of the enterprise, this name does not always mean something. The competitiveness of products and the competitiveness of the manufacturing enterprise are correlated with each other as a part and a whole. The ability of a company to compete in a particular commodity market directly depends on the competitiveness of the product and the totality of economic methods of the company's activity that affect the results of competition [5].

Let's take a closer look at the concept of enterprise competitiveness, since it is enterprises that compete with each other, conduct a continuous competition for customers and for their place both in the domestic and foreign markets.

Different scientists define the essence of the concept of enterprise competitiveness in different ways, so there is no single, generally accepted definition of this concept.

Plotitsina T. M. grouped the definitions of enterprise competitiveness, which were proposed by Russian scientists, into three groups:

- in the first group, she assigned definitions that are based on the internal and external activities of the enterprise;
- the second group included definitions based on the commodity component, that is, the concept of enterprise competitiveness is determined through the competitiveness of the enterprise's products;
- the third group includes definitions that combine both the commodity component and the component of the production activity of the enterprise.

Ivanov Yu. B., Orlov P. A., Ivanova O. Yu. distinguish four approaches to determining the competitiveness of an enterprise:

- comparative;
- resource;
- a combination of comparative and resource-based approaches;
- system [11: 24].

The same classification of definitions of enterprise competitiveness is followed by L. V. Nagirna.

The definition of an organization's competitiveness by G. Ya.Kiperman is incomplete because it does not take into account that organizations compete in specific markets in a certain period of time, the advantage is that the efficiency of economic activity is emphasized as a crucial element of the organization's competitiveness. Understanding the essence of "competitiveness of an organization" according to R. A. Fatkhutdinov is also incomplete, because it reduces the competitiveness of an organization to the production of competitive products, in fact, thereby equating these two concepts.

According to the definition of I. S. Dolzhansky, the competitiveness of an enterprise is the ability to effectively manage its own and borrowed resources in a competitive market. Vasilenko V. O. and Ivanov Yu.B. are of the opinion that the

competitiveness of an enterprise is an opportunity for effective economic activity and its practical profitable implementation in a competitive market.

In the "Encyclopedia of a businessman, economist, manager", the competitiveness of an enterprise is defined as the level of its competence in comparison with other competing enterprises in such parameters as technology, practical skills and professional knowledge of personnel, the level of strategic and current planning, sales policy, the level of management, communications, the quality of production management systems, etc.

A similar opinion is shared by Shershneva S. E. and Oborskaya S. V.: the competitiveness of an enterprise is the level of its competence relative to other competing enterprises in the accumulation and use of production potential of a certain orientation, as well as its individual components: technology, resources, management, skills and knowledge of personnel, etc., which is expressed in such resulting indicators as product quality, profitability, productivity, etc. [5: 23-25].

Therefore, we can conclude that the concept of "enterprise competitiveness" is very complex and does not have any generalized definition. It cannot be considered from any one side, it is necessary to take into account all aspects of this concept. Some scientists believe that the main thing is the ability to effectively manage financial resources, while others explain the competitiveness of the enterprise through the ability to produce and sell competitive goods. The definitions given in the "Encyclopedia of businessman, economist, manager", as well as Shershneva S. E. and Oborskaya S. V. highlight competitiveness in terms of comparing the level of competence of enterprises in many parameters, including also the skills and knowledge of Personnel, which could not be overlooked. According to Russian researchers, "the key resource of the enterprise is labor... The efficiency of using all types of enterprise resources (material, organizational, financial, informational, etc.) depends on people, on their intelligence, abilities, qualifications, work experience and motivation to work [11: 28]".

The complexity of specifying the concept of "enterprise competitiveness" comes from its features, which have been identified in modern economic literature by various scientists. In addition, the economic literature usually distinguishes four main levels of enterprise competitiveness:

1 level - efforts are focused only on the production of products, the needs of the consumer are not taken into account;

- 2 level the desire for the company's products to meet the standards set by competitors;
- 3 level ignoring competitors' standards and gradually gaining advantages in the industry;

4 level - success in competition is ensured not by production, but by management, while the enterprise completely becomes a "trendsetter" in this market.

Based on the above, it can be noted that competitiveness:

- 1. As an adaptability is not an immanent quality of the enterprise.
- 2. It is interrelated and interdependent with the competitiveness of the product.
- 3. It needs to improve the performance of using its resources.
- 4. It can only occur and be evaluated if there are competitors.
- 5. A relative concept and has a different level in relation to different competitors.
- 6. It depends on the level of competitiveness of products, industries, and countries.
 - 7. It depends on the level of competitive advantages and ways to obtain them.
 - 8. It is the result of human capital.

Thus, competitiveness is an important component of the development of society and that is why it constantly attracts the attention of scientists.

Competition forces producers to introduce innovative processes and technologies into production to reduce production costs. Thus, they improve the quality of the product and attract the attention of new customers, and therefore increase their own profits. In a competitive environment, competitiveness always manifests itself, and at different

levels, which must be taken into account when managing it. The conducted research proves that the competitiveness of an enterprise is a complex multidimensional concept, which means competition, struggle to achieve the best results, obtaining competitive advantages by effectively using all available resources, manufacturing and selling competitive products and making a profit from conducting effective economic activities.

1.2. Methods and Indicators for assessing the competitiveness of the enterprise

Assessment of the competitiveness of an enterprise is a complex and multi-factor task, which is reduced to the interpretation and evaluation of a system of indicators that characterize various aspects of the enterprise's activity, forming its competitiveness [16: 94].

Assessment of the level of competitiveness of the enterprise allows:

- form management tasks (determining approaches to production, technology, sales, hiring of labor resources, financing of material, information and organizational support);
- make a management decision (reduce costs, focus on a specific market segment, conclude appropriate contracts);
- develop measures aimed at developing and maintaining competitive advantages (implement innovations, support long-term advantages, prevent the actions of participants, develop measures to develop new markets and attract investor funds);
- adapt the enterprise to the market conditions of management, capable of ensuring victory in the competition for the consumer and sales markets, etc. [24: 183-184].

Assessment of the development of an enterprise from the point of view of assessing the competitiveness of an enterprise is carried out in accordance with the most general approaches - structural and functional [7]. The structural approach to assessing the competitiveness of an enterprise is based on the analysis of its position in the market,

taking into account the level of monopolization of the industry, that is, the concentration of production and capital, the presence of entrance barriers for new enterprises entering the industry market, the degree of product differentiation, the possibility of technological innovations and savings on the scale of production. The functional approach consists in determining the competitiveness of an enterprise in terms of production efficiency, financial condition, sales and product competitiveness. The advantage of the functional approach is the use of those groups of indicators that allow a more objective assessment of the most important areas of activity of the enterprise, in particular the financial and economic activities of the enterprise (labor productivity and fund return, indicators of liquidity and solvency of the enterprise, return on sales, etc.), and determine its place in the industry market. However, this approach does not allow to take into account such characteristics of the competitiveness of the enterprise as the image and potential of the enterprise.

In addition, to assess the competitiveness of the enterprise with the analysis of the degree of stability of the position of the enterprise in the industry market, the ability to produce products that are in demand, separate quantitative indicators are used: the ratio of profit to the total cost of sales (an increase in this indicator indicates an increase in the level of competitiveness of the enterprise); the ratio of the total cost of sales and the cost of unrealized products, which indicates a change in demand for the company's products and, accordingly, its competitiveness; the ratio of the total cost of sales to the cost of material production stocks, which shows a change in inventory turnover due to changes in demand for products and stocks of raw materials. As a rule, each approach to assessing competitiveness is developed not for all homogeneous enterprises, but for one or two. Depending on the purpose and by whom the competitiveness assessment is conducted, the number of factors involved in the assessment, their qualitative composition and significance vary significantly.

It is worth noting that today a number of methods are used to assess the competitiveness of an enterprise, which is explained by the ambiguity of available

methodological approaches in the study of enterprise competitiveness. Summarizing the available scientific research on this issue, the whole set of methods for assessing the competitiveness of an enterprise can be classified according to the following characteristics: by the object of assessment (products, personnel, potential); by the method of assessment (indicator, matrix, graphic, mathematical); by the direction of forming the information base (criteria, expert); by the types of indicators used (differentiated, complex); by the calculation period (actual, predictive); by the possibility of developing management decisions (current, strategic) [7; 10; 20]. The main methods for assessing the competitiveness of an enterprise are given in (Appendix B)

In addition, the methods used to determine and assess the level of competitiveness of an enterprise can be grouped into the following groups [15: 102-104; 9: 101; 25: 506; 11: 41-47].

- 1) Methods based on the analysis of comparative advantages are based on the provisions of the theory of international division of labor, according to which the prerequisite for an enterprise to achieve stable competitive positions is relatively lower production costs than that of a competitor. To assess the competitiveness of an enterprise, this method analyzes not only production costs but also the volume and rate of profit, sales volume, and market share. However, competitive positions are determined not so much by the quantity as by the quality of production and economic activities and the level of competitiveness of products.
- 2) Methods based on the theory of equilibrium of the enterprise and industry, according to which the criterion of competitiveness of the enterprise is the presence of producers of factors of production that can be used more effectively than competitors, and equilibrium is understood as a state when the producer has no incentives to move to another state. To determine competitiveness according to equilibrium theory, relative indicators of the cost of fixed and working capital, the amount of wages and interest rates, and so on are used.

- 3) Methods based on the theory of effective competition. The main tool for assessing the competitiveness of an enterprise is the comparison of indicators of the state of the enterprise with the indicators of competitors, according to which the most competitive enterprises are considered to be those where the work of all departments and services is best organized, the effectiveness assessment of which provides for an assessment of the efficiency of resource use and allows you to determine the strengths and weaknesses of one enterprise in comparison with another and ways to eliminate the gap.
- 4) Methods that are based on the theory of product quality of the enterprise, according to which the competitiveness of the enterprise is higher, the higher the competitiveness of its products. Products are compared with the parameters of the reference product. To determine the competitiveness of products, various marketing and qualimetric methods are used, most of which are based on finding the price-quality ratio. The calculation of the competitiveness indicator for each type of product is carried out using economic and parametric competitiveness indices.
- 5) Methods that are based on the multiplier theory and characterize the chain of consecutive dependencies of effects and stimuli that caused them, here the competitive advantages of an enterprise of one cluster over another in terms of product quality or service provision are evaluated.
- 6) Methods for determining the competitive position from the point of view of the strategic potential of enterprises, which analyze the internal environment of enterprises in order to identify advantages and potential for their development and make it possible to analyze individual elements of potential.
- 7) Methods that are based on expert assessments and are widely used to analyze the capabilities of competitors, since, unlike the analysis of your own enterprise, it is impossible to get the necessary information legally for many positions of the information base. This group of methods may not provide the high accuracy of analysis,

but it is very likely to allow to assess of the state of a single production enterprise or a small business.

- 8) Matrix methods for assessing competitiveness, which are based on the consideration of competition processes in dynamics. Theoretical basis of these methods is the concept of the product and technology life cycle. Matrix methods for assessing the competitiveness of various products were developed by the marketing organization "Boston Consulting Group" and were later used not only to analyze the characteristics of goods, but also to study the competitiveness of "strategic business units" goods, sales activities, individual companies, industries, etc.
- 9) Comprehensive methods for assessing the competitiveness of an enterprise, aimed at developing a consolidated indicator of the level of competitiveness, implemented on the basis of determining the available resources of the enterprise, assessing the effectiveness of their use, and determining the level of its competitiveness in relation to enterprises operating in the same industry and belonging to the same product group. This method involves calculating a generalized indicator of enterprise competitiveness, which characterizes the degree of customer satisfaction and the level of production efficiency.

Each of these methods of assessing competitiveness is not exhaustive, it has its own advantages and disadvantages, which are presented in (Appendix C)

Thus, the variety of methods puts before the business entity the choice of the optimal method of assessing competitiveness, which would not only objectively show a realistic state of affairs, but also allow to plan further activities, choose the most influential factors of competitiveness, form the right strategy of competitiveness, devoid of subjectivism. In addition, due to the advantages and disadvantages of methods for assessing the competitiveness of an enterprise mentioned above, it is necessary to approach this issue comprehensively - to apply a system of methods for a more complete assessment of the competitiveness of an enterprise, taking into account the specifics of its economic activities.

PART 2. DEVELOPING A COMPETITIVE STRATEGY FOR "ENECOM-T" LTD

2.1. Analysis of competitive strategy "ENECOM-T" Ltd

"ENECOM-T" Ltd. is a legal entity, has separate property, independent balance sheet, bank accounts, seals with its name and identification code.

Legal address (location) of the Company: 18000, Cherkassy, Cherkassy region, Universytetskya str., 33/1, office 407.

"ENECOM-T" Ltd. offers:

- design and installation of heating, ventilation and air conditioning systems of residential, industrial and administrative premises;
- professional consultation on selection of the equipment taking into account features of room;
- complete set of equipment and materials for ventilation and air conditioning systems according to the ordered specification;
- wholesale and retail trade in equipment and components for ventilation, air conditioning, heating systems;
 - computer design with possible visualization of the future system;
 - fast and high-quality installation of systems, domestic or industrial purposes.

Let's analyze the environment of ENECOM-T Ltd. using the method of structural analysis of five competitive forces.

1. Existing competitors: enterprises of wholesale and retail trade in components of ventilation systems ("Cyclone+", "Climate Comfort", "Interconditioner", "Polmann").

- 2. Enterprises that can potentially enter the industry: small and medium-sized trade organizations (LLC "Cherkassy ventilation Company", LLC "Garantstroyservice").
 - 3. Consumers: individuals and legal entities.
 - 4. Substitute goods.
 - 5. Suppliers: enterprise manufacturers.

Despite the huge number of commercial enterprises of components of ventilation systems operating in the Cherkassy city in order to establish the competitiveness of enterprises, let's compare the indicators of the main 4 competitors.

Operational and strategic competitiveness of an enterprise can be shown through its individual components: production, personnel, sales, financial and investment-innovation. Based on this, operational competitiveness will take the form of:

$$K_{o} = \sum_{i=1}^{I} a_{oi} \cdot K_{oi},$$
 (2.1)

where Koi is the operational competitiveness of the trading enterprise for the i-component; Aoi is the weighting coefficient of the i - component of the operational competitiveness of the enterprise; i is the number of the operational competitiveness component (the total number of components 1=5).

At the same time, the operational competitiveness of the enterprise in terms of the i-component is determined by the weighted average sum of relative estimated indicators (xy):

$$K_{oi} = \sum_{j=1}^{J} a_{oj} \cdot x_{ij},$$
(2.2)

where a0j is the weighting coefficient of the j-indicator for the i-component of the operational competitiveness of the trading enterprise; j is the number of the estimated indicator. Strategic competitiveness, in turn, will take the form of:

$$K_{c} = \sum_{i=1}^{I} a_{ci} \cdot K_{ci},$$
(2.3)

where *Kci* is the strategic competitiveness of a trading enterprise in terms of the i-component;

asi - coefficient of weighting i-component of strategic competitiveness of a trading enterprise;

i - is the number of the strategic competitiveness component (total number of components 1=5).

At the same time, the operational competitiveness of the enterprise in terms of the i-component is determined by the weighted average sum of relative estimated indicators (xy):

$$K_{ci} = \sum_{j=1}^{J} a_{cj} \cdot x_{ij}$$
(2.4)

where *acy* is the weighting coefficient and is the indicator for j-component of strategic competitiveness of a trading enterprise.

The methodology for assessing operational competitiveness was carried out on four main competitors: enterprise No. 1 - "ENECOM-T"; enterprise No. 2 - "Cyclone+"; enterprise No. 3 - "Climate Comfort"; enterprise No. 4 - "Interconditioner".

The calculated values of operational and strategic competitiveness for individual components of competitiveness are shown below (table. 2.1).

In 2019, in all components of operational competitiveness, enterprise No. 1 "ENECOM-T" Ltd. had a competitive advantage over others (1.75 units against 1.07, 1.10, 0.96 units accordingly). As for strategic competitiveness, "ENECOM-T" Ltd. was less competitive in almost all components, except for financial ones, than the enterprises whose activities are included in the analysis.

Enterprise competitiveness in 2019

Component	Operational competitiveness				Strategic competitiveness			
	EN	C	C1	Int	Е	Су	C1	Inte
	EC	yc	im	erc	N	clo	im	rcon
	OM	lo	ate	on	EC	ne	ate	diti
	-T	ne	C	diti	o	17	Co	oner
	TEN K	(J+J)	0	on	M-	KH	mf	
	TEN	KH	mf	er	T	EK	ort	
	MITE	K	ort	E) V	MU	EY	MI	
Production	1.38	1.	1.	1.1	0.8	0.7	0.	0.81
	KIKHT	25	08	2	4	4	83	
HR	1.19	1.	1.7	0.9	0.8	0.8	1.	0.76
	TEJY	04	10	6	8	9	01	
Sales	1.18	1.	1.	0.9	0.8	0.8	0.	0.74
	NUTE	12	15	0	8	0	78	
Financial	4.05	1.	1.	0.8	1.9	0.9	1.	0.83
	KUD	16	34	9	1	9	22	
Innovation and investment	0.97	0.	0.	0.9	0.8	0.7	0.	0.65
	KN	71	84	3	9	3	87	
Total	1.75	1.	1.	0.9	1.0	0.8	0.	0.75
	KITE	07	10	6	8	3	94	

Source: summarized on the analysis of competitiveness of competitors

However, the high level of the financial component also led to a higher level of the strategic component (1.08 units against 0.83, 0.94, 0.75 units accordingly).

The lowest level of competitiveness is distinguished by the "Interconnector", which is characterized by the value of competitiveness coefficients for both operational and strategic competitiveness below unity (namely: 0.96 units - operational; 0.75 units - strategic). For "Cyclone+" and "Climate Comfort", a fairly high level of operational

competitiveness was determined (1.07 and 1.10 units), however, the strategic competitiveness coefficient is less than 1 (0.83 and 0.94 units. accordingly).

The marketing assessment of "ENECOM-T" Ltd. is presented in the following table (table. 2.2)

Table 2.2 Marketing "ENECOM-T" Ltd.

№	Indicator	Indicator weight	Etalo n	Enterpris rating	se value /
1	Sales volumes, thousand UAH	0.2	4167. 2	3065.4	0.15
2	Place in sales, thousand UAH	0.1	453.0	0	0
3	Financing of advertising activities, % of the company's total expenses	0.1	30.0	22.5	0.08
4	Corporate identity (developed areas)	0.1	3	3	0.10
5	Price, UAH.	0.1	958.6 0	945.75	0.08
6	Innovation activity, thousand UAH	0.20	154.3	70.9	0.09
7	Sales costs per unit of production, UAH	0.05	324.7	320.6	0.04
8	Number of sales channels, units	0.05	7	11	0.08
9	Volume of successfully completed transactions with customers, units.	0.05	2457	3698	0.08
1 0	Level of compliance with contractual conditions with customers (fines, thousand UAH)	0.05	15.9	0	0
Sun	THE KINHT KINHT	1/1/1/1/	X	X	0.69

Source: summarized on the basis of financial statements "ENECOM-T" Ltd

The initial data for constructing the enterprise potential square are presented in Table. 2.3 in the form of a matrix (aij), that is, a table where the numbers of indicators (I = 1,2,3..., n), and by columns – the names of the enterprises under consideration (j = 1,2,3..., m).

Initial data for constructing the potential square "ENECOM-T" Ltd.

LEWHITEK HITEK	Vector lengths				
Indicator	"ENECOM-T"	"Cyclone +"	"Climate Comfort"		
Production, distribution and marketing of products	42	53	41		
Organizational structure and management	100	80	90		
Marketing	69	74	56		
Finance	34	28	45		

Source: based on the competitors competitiveness research

For each indicator, the best value is found when taking into account the sensitivity coefficient and enterprises are ranked, with the determination of the occupied space.

For each enterprise, we find the sum of places (Pj) obtained during ranking using the formula (2.5):

$$P_{j} = \sum_{i=1}^{n} a_{ij}$$
 (2.5)

Let's transform the sum of places obtained during ranking (Pj) into the length of the vector that creates the square of the enterprise potential. The square of the enterprise potential has four zones, respectively, departments (k), which are applied in the system of indicators under consideration, and four vectors (B) that create it.

So, the length of the vector that creates the square of the enterprise potential (Bk, where k = 1,2,3,4) is found using the formula (2.6):

$$Bk = 100 - (P_j - n) \frac{100}{n(m-1)}$$
 (2.6)

Having determined the length of all vectors, we create a square of the enterprise's potential.

The square of the potential "ENECOM-T" Ltd. is shown in Fig. 2.1.

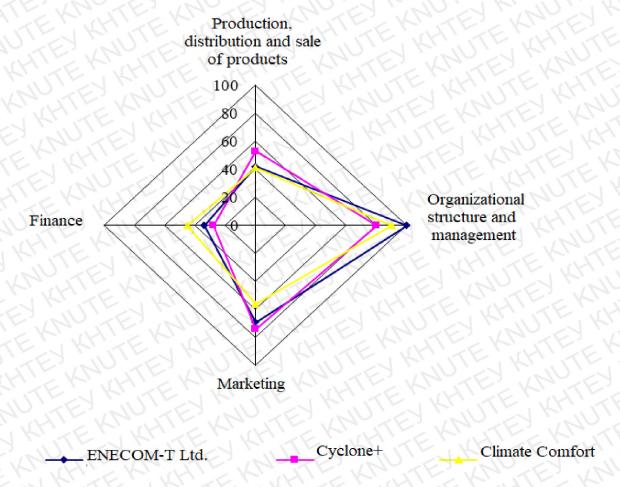


Fig. 2.1. Square of potential of "ENECOM-T" Ltd.

Source: based on competitors competitiveness research

Thus, "ENECOM-T" Ltd. has a fairly good development potential compared to other competing enterprises, in particular, this enterprise has the best results in the field of management, which creates additional prospects.

An important factor affecting the economic security of "ENECOM-T" Ltd. is the dependence of the enterprise on the intensity of the company's cooperative relations with suppliers of various resources. We are talking about the company's dependence on the

stability of the supply of necessary resources, both in terms of the quality of the supplied resources, and the completeness and timeliness of these deliveries.

In order to identify positive and negative factors that may affect the formation and development of elements of ENECOM-T's potential in the external environment, we use the SPACE analysis method. It is advisable to apply this method in the process of developing a program for sustainable development of the enterprise's potential, identifying weaknesses and strengths in the formation and implementation of potential elements.

The SPACE-analysis method is derived from the SWOT-analysis and is used to assess the strengths and weaknesses of the enterprise in terms of the following groups of criteria: financial strength of the enterprise (FS = 1), enterprise competitiveness (CP = 0.4), sector attractiveness (GH = 1), the stability of the industry (SG = 2). We will carry out the score assessment on the key criteria for ENECOM-T Ltd. and determine the vector of the recommended strategy in the coordinate system SPACE (Fig. 2.2).

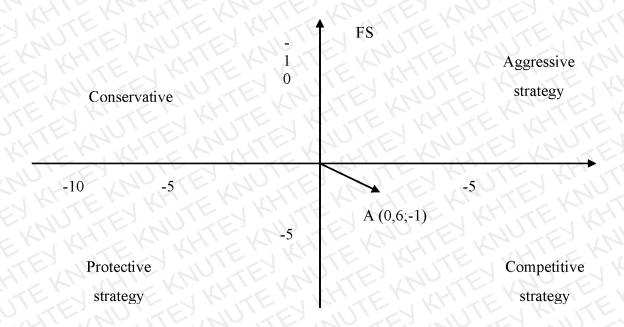


Fig. 2.2. Determination of the vector of the recommended strategy for "ENECOM-T" Ltd. in the coordinate system SPACE

Source: based on SPACE analysis of ENECOM-T Ltd.

The position of the vector determines the type of recommended strategy (conservative, protective, competitive, aggressive) to strengthen competitive positions. And the beginning of the vector is at the point of origin, the end of the vector is at the point A with the coordinates:

$$x = GH - CP = 1,0 - 0,4 = 0,6;$$

$$y = FS - SG = 1.0 - 2.0 = -1.0.$$

As we can see, the vector of the recommended strategy for "ENECOM-T" Ltd. corresponds to the competitive strategy. In order to strengthen its position in the competition, the company must learn the experience of competitors in reducing the cost of production, use existing marketing and advertising opportunities, find new partners and expand sales markets. Thus, for "ENECOM-T" Ltd. today it is advisable to have a competitive strategy of leaders in the industry, and the strategic line is a competitive strategy of defense and strengthening. The content of this strategy is to make access to the market more difficult for new firms.

2.2. Identification of strengths and weaknesses of competitive strategy in "ENECOM-T" Ltd

External analysis is the process of evaluating external factors, that is, those that are objectively formed in the environment of the company's functioning, which it cannot directly influence. External analysis sets two main goals:

- 1) to identify favorable opportunities and threats for the firm;
- 2) to identify key success factors in the selected business area.

Favorable opportunities are environmental factors that help achieve the firm's goals.

Threats are external conditions that limit the firm's ability to achieve the desired goal without hindrance.

The same factors can create both additional opportunities and additional obstacles.

To determine the influence of environmental factors, its entire set is divided into:

- (a) general macroeconomic factors;
- (b) industry factors.

Common macroeconomic factors include:

- macroeconomic indicators (dynamics of gross domestic product, inflation rate, changes in the level of real incomes of the population, fluctuations in interest rates for loans, currency exchange rates, etc.);
- socio-demographic situation (structure by the number of the working-age population, level of social protection of the population, etc);
- state regulation of business (possible changes in legislation regarding this business, its goods, services, sales channels, prices, advertising policy, taxation, customs regime, etc);
 - natural conditions and environmental restrictions.

Of course, it is difficult to accurately assess the long-term impact of general macroeconomic factors, especially for small firms. However, the very attempt to conduct such an analysis makes an entrepreneur think about the problems that their business may encounter, and think through their behavior in case of such problems.

To determine the competitive potential of the trade industry of Ukraine, an analysis of factors of the external business environment in relation to the designated industry was performed using the PEST analysis tool (Appendix D)

According to the data generated in Table 2.4, we see that the trade industry of Ukraine is going through difficult times, because it has a number of shortcomings in each of the factors presented in Table 2.4.

SWOT analysis, like other anti-crisis financial management tools, has certain advantages and disadvantages.

The advantages of SWOT analysis are: the ability to periodically diagnose the resources of the enterprise and the market; determine the advantages of the enterprise in relation to competitors. The disadvantages of SWOT analysis include: subjectivity of the choice of internal and external environmental factors that affect the company's activities; weak adaptation to a rapidly changing environment. (Appendix E)

Despite the shortcomings, this tool is still quite widely used in the framework of anti-crisis financial management and, with high-quality implementation, can give the maximum number of problems that the enterprise has. So, with the help of SWOT analysis, we will diagnose factors of the internal and external environment of financial and economic activity on the example of "ENECOM-T" Ltd. (Appendix E)

From the analysis data, (Appendix E) it is revealed that the activities of "ENECOM-T" Ltd. like most commercial enterprises are quite in a difficult situation. The main threats at the enterprise are the obsolescence of technological equipment, low control of financial statements from activities, low profitability of sales of works and services. Therefore it is necessary to form and further implement anti-crisis growth strategies at enterprises in order to overcome the crisis phenomena that arise at enterprises.

The deterioration of overall macroeconomic indicators including maintaining the rate of inflation, an increase in the expenditure side including an increase in utility bills etc. cause a decrease in the purchasing power of the population of Ukraine, thus indirectly affecting the volume of sales of goods of "ENECOM-T" Ltd. in the domestic market and the company's activities as a whole.

Thus, the influence of external factors on the activities of "ENECOM-T" Ltd. is significant but the company has the ability to respond to a certain negative impact of these factors, restraining their negative impact.

PART 3. IMPROVEMENT OF THE COMPETITIVE TRADE STRATEGY IN "ENECOM-T" Ltd

3.1. Measures for making a competitive trade strategy for "ENECOM-T" Ltd

Ensuring the necessary level of strategic behavior of ENECOM-T Ltd. the market largely depends on the correct formation of the product range. Product range formation is a selection process for the implementation of ENECOM-T Ltd. different product groups, their types and varieties, differentiated by all distinctive features.

In the process of improving the assortment policy of ENECOM-T Ltd., it should follow a number of principles.

The most important principle of forming a product range is to ensure it corresponds to the nature of demand offered by the customer contingents selected for service. Because the successful penetration and consolidation of the enterprise in the consumer market is associated with the search and completeness of development of a particular niche, the formation of a specific product range that meets the parameters of this market niche is given a primary role. Rational construction of the product range of ENECOM-T Ltd. it provides for comprehensive satisfaction of customer demand within the selected segment of the consumer market. The implementation of this principle involves the formation of a product range, taking into account the complexity of their consumption within certain consumer complexes or micro-complexes. This principle of forming a product range allows to create great convenience for customers, facilitates the process of getting acquainted with the products offered for sale, reduces the time spent on making purchases, and promotes the implementation of "impulsive purchases".

ENECOM-T Ltd. will sell two groups of products of the high price group and the medium price group for different categories of consumers.

An important principle of forming the product range in ENECOM-T Ltd. must be provided with sufficient width and depth. The breadth of the product range should be understood as the number of groups and subgroups of products included in the formed assortment list, and the depth should be understood as the number of product varieties.

And, finally, one of the principles of the correct formation of the range of ENECOM-T Ltd. is to ensure the conditions for its profitable operation. In the conditions of transition to a market economy, profitability is a necessary condition for the functioning of any enterprise. In this regard, when building a product range, it is necessary to take into account the cost intensity of sales of individual product groups.

The process of forming the product range of ENECOM-T Ltd. taking into account the principles under consideration, it should be carried out in the following four stages:

- 1) the list of main groups and subgroups of products provided is determined;
- 2) distribution of individual groups and subgroups of products in the context of consumer complexes and micro-complexes is carried out;
- 3) the number of types and varieties of products within individual consumer complexes and micro-complexes is determined;
- 4) a specific product range is being developed for ENECOM-T Ltd., offered for sale to contingents of customers served.

Product diversification of ENECOM-T Ltd. is one of the most common forms of its organization in a developed market economy and intense competition of producers in the market. The essence of diversification should consist in simultaneously expanding the range and range of products provided by the enterprise. Obviously, diversification can be considered a kind of marketing strategy of ENECOM-T Ltd., strategies aimed at expanding the scope of activity in the market of new products.

Such business activity of ENECOM-T Ltd. gives it the opportunity to better maneuver their material and human resources, significantly reduce the economic risk

associated with the sale of new types of products on the market, and maintain their financial stability at the proper level.

Product diversification aims and allows for a significant expansion of the scope of activity of ENECOM-T Ltd. and implementation of the sale of a large number of products. Such a policy will ensure the sustainability and stability of the company's work. It allows to use the experience of other companies.

Price policy of the company ENECOM-T Ltd. is the basis for developing its pricing strategy. Pricing strategies are part of the overall development strategy of the enterprise.

The main types of pricing strategies for ENECOM-T Ltd. can be:

1. High price strategy. The goal of this strategy is to obtain ENECOM-T Ltd. super-profit by "skimming" those customers for whom new products are of great value and who are willing to pay more than the normal market price. This applies to products that are at the initial stage of the "life cycle". Setting high prices, ENECOM-T Ltd. enjoys its temporary monopoly on the sale of new goods on the alcoholic beverages market.

Pricing policy during the period of applying high prices is to maximize profits until the market for new goods becomes an object of competition.

- 2. Average price strategy (neutral pricing). ENECOM-T Ltd. can be used at all stages of the product life cycle, except for the downturn, and most typical for most firms that consider profit-making as a long-term policy.
- 3. Low price strategy (price breakout strategy). The strategy can be applied by ENECOM-T Ltd. at any stage of the product life cycle. It is especially effective when demand is highly elastic in price. The low-price strategy aims to generate long-term, rather than "fast" profits.
- 4. Target price strategy. With this strategy, no matter how prices, sales volumes, and profit mass of ENECOM-T Ltd change, it must be constant, i.e. profit is the target value.

- 5. Strategy of preferential prices. The goal of this strategy is to increase sales of ENECOM-T Ltd products. It is used at the end of the product life cycle and manifests itself in the application of various discounts.
- 6. The "follow the leader" strategy. The essence of this strategy does not involve setting the price of new products in strict accordance with the price level of the leading company in the market. Only the price policy of the leader in the industry or market is taken into account.

The smaller the differences in the new products of ENECOM-T Ltd. compared to most of the products offered on the market, the closer the price level for new products is to the prices set by the industry leader.

Less often on ENECOM-T Ltd. the following strategies can be applied:

- a) unchanged prices;
- B) non-rounded, or psychological, prices. Example: not 10 UAH, but 9.99 UAH; consumers like to receive change (the impression of the set price at the minimum level).

Lower prices for ENECOM-T Ltd products can occur for the following reasons: not working at full capacity, reducing market share under the influence of strong competition, and the company's desire to achieve a dominant position in the market.

Price increases occur due to sustained inflation or excessive demand.

The consumer reaction to price changes should be taken by ENECOM-T Ltd. attention.

Development of pricing policy and strategy of ENECOM-T Ltd. should be carried out in three stages: collecting initial information, strategic analysis, and forming a strategy.

During these stages, the following activities are performed::

- estimation of product sales costs;
- clarification of the company's financial goals;
- identification of potential competitors of ENECOM-T Ltd.;
- financial analysis of the company's activities;

- segment analysis of the market;
- analysis of the company's competition in a particular market;
- assessment of the impact of measures of state regulation on pricing issues;
- determination of the final pricing strategy.

During this stage, the following activities are performed:

- cost estimation;
- clarification of the company's financial goals.

According to the financial plan of ENECOM-T Ltd. the minimum level of profitability required for the sale of each type of product is determined, as well as the priority of the task: obtaining the largest amount of profit or making a profit within a certain period of time to repay the debt on previously raised borrowed funds;

- determining the list of potential competitors.

Based on the available information about competing enterprises, their activities in the past, and the personal characteristics of their managers, the main goal in the field of pricing is determined, and the advantages and disadvantages of the production and sale of competitors' products are analyzed.

The second stage is strategic analysis. Previously collected information is analyzed:

- financial analysis.

The composition of customers in different market segments and the boundaries between individual segments are determined, so that the company's establishment of reduced prices for its products in one of the segments does not interfere with the establishment of higher prices in other segments.

- competition analysis.

The purpose of the analysis is to assess the possible attitude of competitors to the planned changes in the price of products and the measures that they can start in response. The capabilities of ENECOM-T Ltd are determined in increasing the guarantee of achieving its goals in terms of volume and profitability of sales of products by focusing efforts on those target market segments where it is easier for it to achieve a stable competitive advantage and identify those segments in which it is strategically rational to stop spending resources.

Thus, the tasks of marketing pricing for ENECOM-T Ltd. is the development of a strategy and tactics for pricing products, issuing recommendations for setting prices for specific products (as a rule, a price range is recommended: min-max), as well as existing prices for similar products of competitors operating in the same market segment.

The decision to set the price for specific products is made by the manager, whose functional responsibilities include solving this problem.

At the same time, the person responsible for setting prices for specific products of ENECOM-T Ltd. uses the material presented to it by the marketing department with the recommendations noted above, as well as the economist's data on calculating the cost of production and the amount of fixed costs of ENECOM-T Ltd. for a year, a month. Based on all the information noted here, the manager sets the price, taking into account, in addition to marketing recommendations, on the one hand, the problem of break-even of the company (if the price is lower than the cost price, then most likely such products should be abandoned), on the other hand, the desired and potentially possible level of profit per unit of production and the total volume of sales of products in the planned period or for the year, taking into account seasonality.

In order to improve the efficiency of price management for ENECOM-T Ltd. it is needed to apply consumer-oriented pricing methods. This group of methods takes into account the competitive advantages of goods and the selling company. The methods are used as part of an active pricing strategy focused on a certain combination of price and quality of the product.

Using the following methods, ENECOM-T Ltd. based on the consumer's willingness to pay a certain price (the upper price limit). If it is not take into account the need to operate prices above the lower limit, then when targeting consumers, there is no

direct link between costs and price setting. With their ideas about the maximum price they are willing to pay, consumers set a certain limit at which demand for a product will stop, either due to financial constraints or because better products can be purchased at this price.

Also on ENECOM-T Ltd. it could be used pricing methods that are focused on competitors.

Depending on the market structure, the number and strength of competitors, and the uniformity of the product, the company chooses one of three directions of action:

- adaptation to the market price;
- consistent underestimation of prices;
- consistent price increases (based on high reputation and product quality).

A low price policy focused on competitors is often applied when introducing new products in order to quickly attract a large number of customers, take advantage of mass production and eliminate potential competitors.

To increase the competitiveness of ENECOM-T Ltd. I can offer the following set of measures:

- purchase equipment and technology to expand the product range (for example, video surveillance and mounting devices), which will prevent the threat of losing market share due to the dominance of the accompanying service;
- search for new partners, which will prevent the threat of failures in the process of selling products;
- use all possible methods to improve the competitive abilities of personnel, taking into account the changing market environment and the emergence of new requirements for specialists;
 - the selection of specialists should be carried out only on a competitive basis;
- reduce production costs through the use of energy- and resource-saving technologies;

- continue to improve the production of products by making changes and additions to the installation technology for service support.

The main one among these areas should be technological changes in ensuring the competitive advantages of ENECOM-T Ltd., which in turn requires additional investment of monetary resources.

In order to ensure the protection of investments, when choosing a project, a number of pre-investment studies are conducted: all investment risks are studied, marketing research is conducted, and investment directions are evaluated. Justifying the feasibility of an investment requires considering as many investment projects as possible in order to choose the best one.

Thus, the search for reserves to increase competitiveness by using the investment resources of ENECOM-T Ltd. it should be carried out in the context of both the enterprise and the economy of Ukraine as a whole. Do not forget that even if there is a promising investment object, it can be unprofitable under the influence of external factors, which is very important when evaluating the investment directions of ENECOM-T Ltd.

In market conditions of formation and development of economic relations, each enterprise faces the problem of assessing its competitiveness. In order to strengthen the competitive position, each company seeks to use the most effective method of evaluation and offer effective ways to improve it. Today, for the successful functioning of an industrial enterprise in the market, the assessment of its competitiveness is an objective necessity. As a process of identifying the strengths and weaknesses of the enterprise, it allows for maximum improvement of its activities and identify its hidden potential.

Thus, systematizing the methods we can draw the following conclusions:

- 1. It is advisable to distinguish between areas of use of different methods.
- 2. Methods that characterize the level of enterprise management, allow to assess the competitive advantage of the enterprise through the effectiveness of enterprise management.

- 3. To determine the strategic state of the enterprise, in formulating and evaluating alternatives to its strategy is not always enough to apply only matrix analysis. Sometimes it is necessary to conduct a strategic analysis based on the use of methods that characterize the level of financial and economic activity of the enterprise.
- 4. All methods have certain disadvantages and advantages that determine the possibility of their application in the practice of domestic enterprises.
- 5. A positive effect from the application of a method can be achieved as a result of hard work and creative work of a team of highly qualified professionals.

3.2. Projected improvements in the company after applying a competitive trade strategy

Determining the product and product strategy of an organization can be carried out on the basis of the rank analysis of the activity structure, or rank analysis of the product range. To analyze the structure of an organization's activities, it is recommended to use the method of rank analysis of indicators: the competitive position of the business zone and the profitability of activities. When an organization needs to analyze the optimal composition of the product range, it is advisable to use two indicators for analysis: the volume of sales of products and the profitability of products.

An interesting complex indicator used in rank analysis is the "competitive position" of the strategic management zone. Therefore, when it comes to evaluating product policy, we consider it appropriate to replace the indicator "volume of sales of products" with the indicator - "competitiveness of products". To determine this indicator, it can be used the formula for calculating the coefficient of competitiveness by the ratio (3.1):

$$K = \frac{f(Ir, Im)}{Ie}, \tag{3.1}$$

where Ir, Im, and Ie are summary indices of competitiveness in terms of quality, marketing, and economic indicators, respectively.

The system of marketing indicators is formed by: the convenience of existing sales channels; the attractiveness of advertising; the image of the manufacturing organization. The main economic indicator that affects the competitiveness of products is the price of the product. The price index is suggested to be selected from the table. 3.1.

Table 3.1

Variants of price values and their compliance with indices

Price characteristics	Index
1. The price is high and unacceptable for consumers	2.5
2. The price is high, consumers agree to pay	2.0
3. The price is average, acceptable for consumers	1.5
4. The price is low, acceptable for a wide range of consumers	1.0

source: personal development based on analysis of "ENECOM-T" Ltd.

At the next stage, with the help of experts, the weight of each indicator is determined and the score of the indicator is determined in the dimension from 1 to 10, where 1 is the worst value of the indicator, and 10 is the best value.

A possible version of the calculation results is given in Table 3.2.

At the next stage, the rank correlation coefficient is determined, calculated using the formula (3.2):

$$Kp = \frac{1 - \frac{6\Sigma (P_{\kappa} - P_{r})^{2}}{n(n^{2} - 1)}}{n(n^{2} - 1)},$$
(3.2)

where Pk is the rank of the competitive position; Pr is the rank of profitability; n is the number of items in the assortment.

Results of evaluating the competitive position of the product range

TEKH TEKH	Index of	Index of	Index of	Competitive
Product range of ENECOM-T	quality	marketing	economic	ness of
Ltd.	indicator	indicators	indicators	products
WHIE KNOTE	s (In)	(Im)	(Ie)	(K)
1. Electric Heaters (A1)	7.43	7.6	1.5	37.6
2. Water heaters (A2)	8.28	7.4	1.5	40.8
3. Valves (A3)	7.39	-6.65	NO 1 1	49.14
4. Filters (A4)	6.36	5.95	KY 1-TE	37.84
5. Silencers (A5)	9.31	7.8	1	48.4
6. Water silencers (A6)	7.83	6.65	1	52.06
7. Humidifiers (A7)	5.9	5.95	2.5	14.04
8. Dehumidifiers (A8)	5.89	5.95	1.5	23.36
9. Air purifiers (A9)	7.21	5.6	1.5	26.9
10. Three-way valves (A10)	6.47	5.95	1.5	25.66
11. Heating cable (A11)	7.07	6.65	2.5	18.8
12. Heating mats (A12)	5.38	5.25	1.5	18.83
13. Infrared film (A13)	6.34	5.95	2.5	15.08
14. Self-regulating cable (A14)	7.14	5.95	1.5	28.32
15. Other materials (A15)	6.7	6.3	2.5	16.88

source: personal development based on analysis "ENECOM-T" Ltd.

The rank correlation coefficient can vary from -1 to +1. The value of the "-" coefficient indicates a tendency to decrease one of the indicators with an increase in the other, which is evidence of the irrationality of the organization's business structure. The results of calculating ranks by assortment are shown in (Appendix F)

In our case, the value of the correlation coefficient is -0.6, which is a characteristic of the irrationality of the structure of the organization's assortment

activities. For possible values of the Kp correlation coefficient (Pk; Pr), it is recommended to use the following estimates of values:

- 0,7-1 the structure of the company's assortment activity is optimal and it is recommended to maintain it;
 - 0.4-0.7 the product range structure can be improved;
 - -1-0,4 the company's activities need to be restructured.

The nature of the relationship between the ranks of the competitive position of the product range and the profitability of the basic structure is shown in Fig. 3.1.

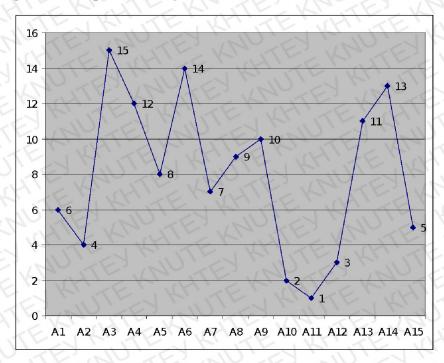


Fig. 3.1. Dependence of the rank of a competitive position on the rank of profitability source: personal development based on analysis of "ENECOM-T" Ltd.

In the context of problems with the sale of products and settlements between the consumer and the manufacturer, the problem of choosing a consumer becomes urgent. The higher the sales volume, the more reliable the consumer should be.

Consumer reliability is suggested to be calculated based on the reliability rating (RH):

$$Rn = Op * Ot * On, (3.3)$$

where Op is the rhythm of purchases; Ot is the duration of partnerships; On is the consumer's solvency.

A possible consumer rating scale is shown in Table 3.4.

Table 3.4

Consumer rating scale

Nu	Evaluating the rhythm	Evaluating the duration of	Assessment of the
mb	of purchases	partnerships	consumer's solvency
er	KIUTE KRUT	E KHITE KHIT	
of	KALLEKAH	LE KNOTE KNOT	
poi	E NOTE N	ULEY KNUTEY KI	
nts	ELKHILEK	KHITEKKHITEKI	
I	One-time or random	Casual consumers	Payment delay up to 30
7 /	purchases	Y KNOTE KNOTE	days
2	Non-rhythmic	Consumers working with the	Payment upon receipt
LE;	purchases during the	company for up to 2 years	of the product
JTE	year	TE KY TE KY	
3	Purchases are stable	Long-term partnerships up to 5	Prepayment (partial)
NU	once a quarter	years	
4	Stable monthly	Long-term partnerships for	Prepayment - 100%
W	purchases	more than 5 years	

source: personal development based on analysis of "ENECOM-T" Ltd.

Clarification of the organization's competitive position in the selected areas is performed using the matrix "sales volume - consumer rating", which is shown in Fig. 3.2.

Summing up the results of the first line of actions for the development of product strategies, it should be noted that starting work using each of the three models, as well as with models of any combination, it is necessary to strictly follow the rules of compliance.

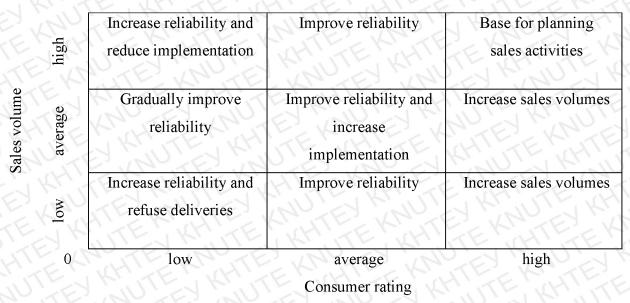


Fig. 3.2. Matrix "sales volume - consumer rating» source: personal development based on analysis of "ENECOM-T" Ltd.

When choosing a particular model, it is necessary to analyze the compliance of a particular business direction with the conditions for applying the selected model. Therefore, their use in the Ukrainian economy requires some adaptation. This work should be performed by qualified managers with knowledge and some experience in strategic management. Trying to use these models without the appropriate personnel can lead to significant costs and significant achievements.

Based on the above positioning schemes, as well as taking into account the competitive advantages of the enterprise, we note that the best positioning strategy for the enterprise will be a price-quality ratio strategy.

The implementation of this strategy by the enterprise provides for the implementation of a set of advertising measures that should form consumers' perception of the company's products as high-quality at a relatively low price level.

To date, for ENECOM-T Ltd. the best type of positioning strategy is the price-performance ratio strategy.

Based on the analysis carried out, as well as taking into account market trends and positions in it, ENECOM-T Ltd. the company's tactics should be based on multi-

functional positioning, which in general will correspond to the overall positioning strategy of the company.

Therefore, all the above strategies that include all the most important aspects of the enterprise and made on the basis of a complete analysis of own strengths and weaknesses of the enterprise and its' competitors form a full single competitive trade strategy that is fully suitable for implementation in the ENECOM-T Ltd.

CONCLUSIONS

Thus, competitiveness is an important component of the development of society and that is why it constantly attracts the attention of scientists.

Competition forces producers to introduce innovative processes and technologies into production to reduce production costs. Thus, they improve the quality of the product and attract the attention of new customers, and therefore increase their own profits. In a competitive environment, competitiveness always manifests itself, and at different levels, which must be taken into account when managing it. The conducted research proves that the competitiveness of an enterprise is a complex multidimensional concept, which means competition, struggle to achieve the best results, obtaining competitive advantages by effectively using all available resources, manufacturing and selling competitive products and making a profit from conducting effective economic activities.

The variety of methods puts before the business entity the choice of the optimal method of assessing competitiveness, which would not only objectively show a realistic state of affairs, but also allow to plan further activities, choose the most influential factors of competitiveness, form the right strategy of competitiveness, devoid of subjectivism. In addition, due to the advantages and disadvantages of methods for assessing the competitiveness of an enterprise mentioned above, it is necessary to approach this issue comprehensively - to apply a system of methods for a more complete assessment of the competitiveness of an enterprise, taking into account the specifics of its economic activities.

"ENECOM-T" Ltd. is a legal entity, has separate property, independent balance sheet, bank accounts, seals with its name and identification code.

In 2019, in all components of operational competitiveness, enterprise No. 1 "ENECOM-T" Ltd. had a competitive advantage over others (1.75 units against 1.07,

1.10, 0.96 units accordingly). As for strategic competitiveness, "ENECOM-T" Ltd. was less competitive in almost all components, except for financial ones, than the enterprises whose activities are included in the analysis. However, the high level of the financial component also led to a higher level of the strategic component (1.08 units against 0.83, 0.94, 0.75 units accordingly).

The lowest level of competitiveness is distinguished by the "Interconnector", which is characterized by the value of competitiveness coefficients for both operational and strategic competitiveness below unity (namely: 0.96 units - operational; 0.75 units - strategic). For "Cyclone+ "and "Climate Comfort", a fairly high level of operational competitiveness was determined (1.07 and 1.10 units), however, the strategic competitiveness coefficient is less than 1 (0.83 and 0.94 units. accordingly).

The vector of the recommended strategy for "ENECOM-T" Ltd. corresponds to the competitive strategy. In order to strengthen its position in the competition, the company must learn the experience of competitors in reducing the cost of production, use existing marketing and advertising opportunities, find new partners and expand sales markets. Thus, for "ENECOM-T" Ltd. today it is advisable to have a competitive strategy of leaders in the industry, and the strategic line is a competitive strategy of defense and strengthening. The content of this strategy is to make access to the market more difficult for new firms, to maintain the existing market share, to strengthen the achieved market position, and to protect the company's competitive advantages.

The deterioration of overall macroeconomic indicators, including maintaining the rate of inflation, an increase in the expenditure side, including an increase in utility bills, etc., cause a decrease in the purchasing power of the population of Ukraine, thus indirectly affecting the volume of sales of goods of "ENECOM-T" Ltd. in the domestic market and the company's activities as a whole.

Thus, the influence of external factors on the activities of "ENECOM-T" Ltd. is significant, but the company has the ability to respond to a certain negative impact of these factors, restraining their negative impact.

The search for reserves to increase competitiveness by using the investment resources of ENECOM-T Ltd. it should be carried out in the context of both the enterprise and the economy of Ukraine as a whole.

Determining the product and product strategy of an organization can be carried out on the basis of the rank analysis of the activity structure, or rank analysis of the product range. To analyze the structure of an organization's activities, it is recommended to use the method of rank analysis of indicators: the competitive position of the business zone and the profitability of activities. When an organization needs to analyze the optimal composition of the product range, it is advisable to use two indicators for analysis: the volume of sales of products and the profitability of products.

From the above-mentioned analysis, we can conclude that the methods of forming portfolio strategies do not provide ready-made options for strategies, but are only a means of understanding the main activities of the organization, analyzing the main factors affecting its future state. Therefore, the development of a product strategy for an organization's activities is limited not only to defining an assortment policy, but also necessarily contains elements of ensuring functional strategies: production, marketing, and so on.

To date, for ENECOM-T Ltd. the best type of positioning strategy is the price-performance ratio strategy.

Based on the analysis carried out, as well as taking into account market trends and positions in it, ENECOM-T Ltd. the company's tactics should be based on multifunctional positioning, which in general will correspond to the overall positioning strategy of the company.

Therefore, all the above strategies that include all the most important aspects of the enterprise and made on the basis of a complete analysis of own strengths and weaknesses of the enterprise and its' competitors form a full single competitive trade strategy that is fully suitable for implementation in the ENECOM-T Ltd.

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