

**THE MANAGEMENT OF THE COMPETITIVENESS OF THE ENTERPRISE
POTENTIAL OF PRIVAT JOINT STOCK COMPAN “SUMY REGIONAL PRINTING
HOUSE”**

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This research paper analyzes the competitiveness of the enterprise potential of Private Joint Stock Company "Sumy Regional Printing House" and offers recommendations for its improvement. The main reasons of the low level of competitiveness of products and businesses in general are identified on the basis of strategic analysis to assess the competitiveness of the enterprise potential. The main ways to increase the competitiveness of enterprise and products are proposed. The possibility of reducing of production costs due to the introduction of new technologies, efficient use of production areas and successful marketing activities is identified.

Key words: COMPETITION, COMPETITIVENESS, POTENTIAL, STRATEGIC ANALYSIS, RESERVES, MANAGEMENT.

One of the main causes of current economic crisis and low competitiveness of Ukrainian goods and services is the inability of domestic enterprises to fight for share in the domestic and foreign markets, to promote products and to create the consumers by putting their interests at the center of all industrial and commercial activities.

The theme of research is "The management of the competitiveness of the enterprise potential of Private Joint Stock Company "Sumy Regional Printing House":

Works of leading economists, research papers of domestic and foreign scholars, textbooks and the data of financial statements were used in the study. This paper analyzes the works of A. Smith, M. Porter, I.Z. Dolzhanskiy, L.E. Dovgan, T.F. Kosyanchuk and others.

The research was conducted on the example of Private Joint Stock Company "Sumy Regional Printing House", which is one of the largest printing companies in Sumy region. The company provides services for printing newspapers, magazines, publishing of books, production of packaging, etc.

The aim of this research paper is the diagnostics of the competitiveness of the enterprise potential using methods of strategic analysis.

Generally, competition is a process in which producers in the competitive struggle create the best conditions for the production and marketing of goods and services for the highest profits and gain the best competitive position in the market.

The competitiveness of the enterprise potential can be defined as a comprehensive comparative description of potential. It reflects the preference degree of the set of indicators of resource use and relationships between these organizations. It determines the efficiency of potential in the marketplace at a certain time, concerning aggregate indicators of enterprises-analogues [1].

The aim of the strategic analysis of the competitiveness of the enterprise potential is to identify positive and negative factors that can influence the formation and the development of elements of potential in a competitive environment.

The research used some methods of strategic analysis. Among them are PEST-analysis, SWOT-analysis, GE / McKinsey model, the analysis of profitability and the method based on the theory of effective competition.

As a result of the PEST-analysis (table 1) we should admit that economic and social factors such as inflation, the overall state of the economy and changing income influence the enterprise greatly.

Table 1 - PEST – analysis

Policy	Estimation	Economy	Estimation
1. Changes in tax legislation	4	1. The state of the economy in general	5
2. Political instability	4	2. Inflation	5
3. Credit policy of the government	2	3. Corruption	4
		4. High tax rates	4
Society	Estimation	Technology	Estimation
1. Staff shortage	2	1. Out-of-date technology	4
2. Changing incomes	5	2. High level of depreciation of fixed assets	3
3. Demographic changes	3		
4. The attitude of consumers to printing products	4		

The SWOT-analysis (table 2) shows that the company strengths are its stable competitive position, formed through high products quality and skilled staff. However, high costs are weaknesses of the company. Ineffective marketing also plays a significant negative role in determining of competitiveness.

Table 2 – SWOT - analysis

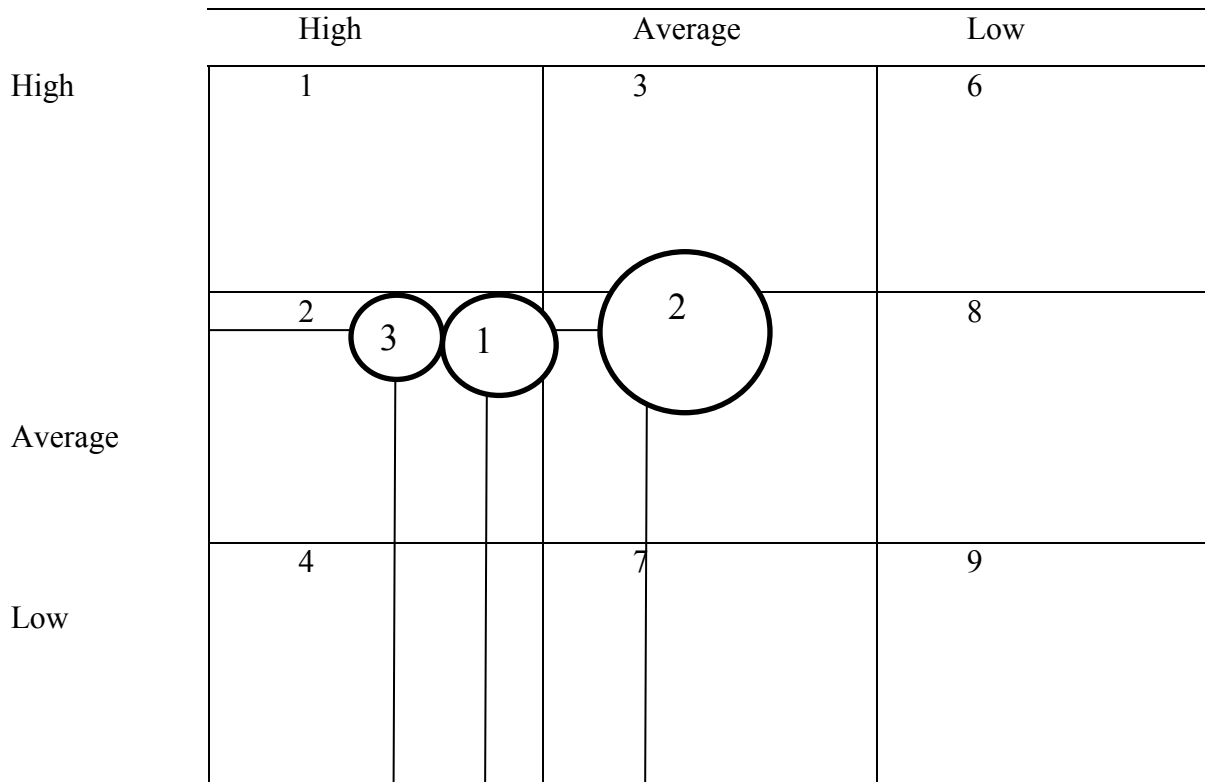
Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Qualified staff 2. High quality products 3. A small amount of workers 4. Good reputation among customers 	<ol style="list-style-type: none"> 1. Inefficient use of property 2. High cost of production 3. Not enough working capital 4. High cost of materials 5. Major utility costs 6. Ineffective marketing
Opportunities	Threats
<ol style="list-style-type: none"> 1. The expansion of production 2. New markets 3. Up-to-date technologies 4. Increase in demand 	<ol style="list-style-type: none"> 1. Growing competition 2. Rising prices of raw materials 3. Bankruptcy 4. Economic downturn

As you can see, GE / McKinsey model (fig.1) showed that the Private Joint Stock Company "Sumy Regional Printing House" (number 1 in the figure) is in square №2. Business companies occupy this position where market attractiveness is on the average level but advantages in the market are obvious and strong.

Fig.1. GE / McKinsey Matrix

Attractiveness of
the market

Competitive advantage



Private Joint Stock Company "Sumy Regional Printing House" has the following result of the coefficient of competitiveness- 8,77.

Table 3 - Results of the calculating the coefficient of enterprise competitiveness

Indicator	«Sumy Regional Printing House»	«Volyn Regional Printing House»	«Chernivtsi Regional Printing House»
The coefficient of competitiveness	8,77	9,45	5,84

The competitiveness of the enterprise is the result of its competitive advantages across the range of problems of company management.

Competitive advantage is the level of the effective use of all resources available to the enterprise [1].

Exploring the data obtained during the analysis of the competitiveness of enterprises we determine the factors that negatively effect on the competitiveness of the company:

- Inflation;
- Credit policy;
- Change in income;
- The attitude of consumers to printing products;
- High cost of production;
- Out-of-date technology;
- High level of depreciation of fixed assets;
- High cost of materials;
- Inefficient use of property;
- Major utility costs;
- Ineffective marketing.

The major tasks of the state policy in the area of competitiveness can be defined as follows:

- Removing the barriers to business activity, reducing tax burden;
- Improvement of legislation in the field of business;
- Stabilization of the national currency, the strengthening of financial and banking system and the decrease of the outflow of capital abroad;
- Financial incentives to innovation activities of the companies which help to create new products and services;
- Geographical diversification of foreign trade structure, the minimization of critical dependence on some countries (markets), the strengthening of economic security of Ukraine;

- Ukrainian international cooperation with various international organizations, including the European Organization for Quality, the development of bilateral relations in the field of quality with foreign partners.

The analysis of the factors affecting the competitiveness of enterprises can offer the following recommendations for improving of the competitiveness of Private Joint Stock Company "Sumy Regional Printing House":

- Advertising campaign. The enterprise should apply for the advertising campaign, which will help create advertising brand of the production using external stationary advertising means such as advertising in the media and on TV, on the packaging of products, billboards etc.;

- The efficient use of production space. The owners of this enterprise should rent free industrial areas that will bring additional revenue and reduce utility costs;

- The purchase of fixed assets and up-to-date technologies. They should update fixed assets using borrowed funds and state subsidies;

- New products. The owners should use new equipment to expand product range;

- New markets. The enterprise should expand products sales market with the help of retailers and wholesalers.

Therefore, support of high competitiveness of the enterprise means that all its resources are used efficiently so that it becomes more profitable than its main competitors. All of this shows that the enterprise occupies a strong position on the market of goods and services, and its products are always in demand.

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