

# Assessment of the Competitiveness of the Enterprise in Conditions of Unstable Economic Environment

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**Annotation:** This article discusses the methodological foundations for assessing the competitiveness of an enterprise, which make it possible to correctly take into account the modern features of managing in the conditions of external economic pressure and the need for structural changes in the Russian economy. The methodology makes it possible to evaluate the characteristics of an enterprise in five main blocks with the subsequent accumulation of the obtained estimates into generalized indicators of competitiveness. The methodology is applicable to enterprises of various sectors of the economy, it makes it possible to assess both current and future competitiveness. The multifactor nature of the model makes it possible to use it to manage the competitiveness of an enterprise, and a limited number of generalizing indicators ensures the convenience of the final assessment.

**Keywords:** competitiveness of the enterprise, competitiveness of products, external factors of competitiveness, assessment of competitiveness, indicators of competitiveness.

**Relevance of the topic:** The problem of assessing the competitiveness of an enterprise is today one of the key theoretical and practical tasks that need to be solved as soon as possible. In the context of the crisis in the Russian economy, it is of particular relevance due to the increased volatility of the external environment. Factors of external pressure and sanctions restrictions affect economic processes and create specific operating conditions for Russian enterprises, and therefore require special approaches to assessing their competitiveness. Under the competitiveness of the enterprise, the authors understand the property of the enterprise, which gives it a real and potential opportunity to interact with other market entities interested in achieving goals similar to those of the enterprise.

In the new economic conditions, the management of companies must have the appropriate tools to ensure decision-making processes to reduce the negative consequences of the external environment. In this regard, the issues of ensuring the development of tools for assessing the level of competitiveness of enterprises and the development of appropriate measures aimed at increasing their competitive potential, maintaining and developing competitive advantages are of particular importance.

**The purpose of the research** is the analysis, models and methods of currently existing approaches to assessing the competitiveness of an enterprise.

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

Analytical methods for assessing the competitiveness of enterprises:

- Rating score;
- Valuation based on market share;
- Evaluation based on the level of product competitiveness;
- Evaluation based on the theory of effective competition;
- SWOT analysis;
- Evaluation based on an integral approach (the models of this group are the most numerous and diverse);

Graphic methods for assessing the competitiveness of enterprises:

- Methodology for comparative analysis of competitors;
- Matrix methods;
- Market attractiveness models;
- Porter's model.

**The object of the study** are enterprises that differ in industry, territorial location and scientific and technical potential, propensity for modernization, which predetermines their differentiation in terms of competitiveness.

**The subject of the study** is the methods of stage-by-stage assessment of the competitiveness of an enterprise.

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**Research methodology:**

1. For the most part, the methods cover only the internal production and economic activities of the enterprise and do not take into account the changing parameters of the external environment.
2. Complex calculations and indicators are used, the evaluation of which is difficult, which increases the time for collecting information and reduces the efficiency of decision-making.
3. Indicators characterizing export-import activities, the state of technology and equipment, human resources, the effectiveness of enterprise management, basic marketing indicators necessary to develop new strategies for promoting and selling goods both to the domestic and foreign markets are not taken into account.

After analyzing the currently existing approaches to assessing the competitiveness of an enterprise, we came to the conclusion that there is no universal methodology that takes into account the current conditions for the functioning of the Russian economy. Assessment of the impact of macroeconomic volatility on the performance of domestic companies can only be carried out through the use of special methods for assessing the competitiveness of an enterprise.

The proposed study is devoted to the formation of a comprehensive methodology for assessing the competitiveness of an enterprise in an unstable economic environment that meets the requirements of the current situation and the possibility of increasing competitive potential in the long term.

The methodology involves a phased assessment of the competitiveness of the enterprise.

**Stage 1. Identification of factors affecting the performance of the enterprise.** The whole variety of factors can be differentiated into two groups: objective (regulated by the enterprise) and subjective (unregulated environmental factors). Objective factors include:

- scale of production;
- industry affiliation of the enterprise;
- characteristics of manufactured products;
- level of development of interfactory cooperation;
- export/import orientation of the enterprise.

Subjective factors include:

- level of development of scientific and technical progress;
- customs and tariff legislation;
- activities of competitors;
- degree of solvency of buyers;
- legislation in the field of technical regulation;
- external and internal legislative decisions dictated by the political situation.

Objective and subjective factors are in dialectical unity and have a direct impact on the efficiency of the enterprise.

**Stage 2. Formation of private performance indicators of the enterprise.** Taking into account the influence of factors that determine the specifics of the enterprise, private indicators are derived that reflect the main aspects of the company's functioning. They are combined into five groups that characterize various aspects of activity:

- marketing;
- organizational and personnel potential;
- financial condition;
- level of engineering and technology;
- characteristics of the manufactured products.

Each group is evaluated according to traditional indicators-indicators by calculation. The indicators are compared with some base: it can be a standard indicator, or an average value for the industry, or the value of the indicators of the leading enterprise in the industry. The comparison reveals specific areas of deviations and bottlenecks in the activities of the enterprise.

**Stage 3. Formation of generalizing performance indicators of the enterprise.** On the basis of private indicators, generalizing indicators are derived, which are the basis for the final criteria to be compared. In this regard, it is proposed to consider the following indicators characterizing the efficiency of the enterprise:

- price of product consumption;

- the coefficient of bringing the product to the consumer;
- the productivity of production factors;
- the probability of bankruptcy (Table 1).

**Table 1. Generalizing performance indicators of the enterprise**

Name of indicator	Formalization	Explanations
1. Product consumption price	$\sum P_i$	Pi – transportation costs to the place of use, installation and commissioning costs, staff training costs, fuel and electricity costs, staff salaries, post-warranty service and spare parts costs, product insurance costs, taxes, costs for the product being evaluated.
2. The coefficient of bringing the product to the consumer	$K = \frac{S_k}{S_h} \cdot \frac{Exp_k}{Exp_h}$	S <sub>k</sub> – sales volume at the end of the reporting period, S <sub>h</sub> – sales volume at the beginning of the reporting period, Exp <sub>k</sub> – the amount of costs for the functioning of the sales system at the end of the reporting period, Exp <sub>h</sub> – the amount of costs for the functioning of the sales system at the beginning of the period
3. Equipment performance	$M = \frac{V}{Q_{tot}}$	V – production per year, Q <sub>tot</sub> – total number of equipment (physical units)
4. Bankruptcy Probability Index	$Z = 1,2 A_1 + 1,4A_2 + + 3,3A_3 + 0,6A_4 + +1,0A_5$	A1 - working capital / total assets, A2 - retained earnings / total assets, A3 - earnings before interest / total assets, A4 - market value of equity / debt capital, A5 - sales volume (revenue) / total assets
5. Labor productivity	$L = \frac{V}{Q}$	V - production for the year, Q - average headcount

The probability of bankruptcy can be predicted by various methods, one of the most common is Altman's discriminant factorial model.

By comparing the value of indicators of a particular enterprise with competitors and the baseline, we can draw conclusions about the strengths and weaknesses of the company.

**Stage 4. Assessment of the competitiveness of the enterprise according to the final criteria.** As the final criteria for the competitiveness of an enterprise, it is proposed to consider:

- the level of quality of products and services in relation to the base value;
- share of the domestic market;
- value added.

The values of these indicators are the initial basis for comparing the performance of the enterprise with competitors and baseline values. According to the authors, these criteria as a whole characterize the level of competitiveness of an enterprise in modern economic conditions.

Evaluation of the level of product quality by the main parameters will make it possible to compare with competing products that have won a significant market share, are in steady demand and have a reputation among buyers. This will make it possible to predict potential demand in foreign markets in the situation of an improvement in the external economic situation, as well as to assess the potential for competitiveness of products in the domestic market in a situation of restoration of competitive pressure from imported goods.

An important component of the evaluation process is the choice of values for the weighting factors, as they can have a significant impact on the balance of power between competitors. In our opinion, for each specific industry and market situation, its own specific weighting indicators should be established, since the significance of individual criteria in them will be different. The weighting coefficients are arranged depending on two most important characteristics:

- 1) the degree of tension in the external economic environment (Table 2);
- 2) the need for structural changes in a particular industry (Table 3).

The significance of two criteria - the domestic market share and value added - increases as tensions in the external economic environment increase (geopolitical instability, lack of access to credit resources, rising interest rates, slowdown in solvent turnover, rising inflation).

**Table 2. The significance of competitiveness criteria depending on the state of the external economic environment.**

Criterion	External economic environment		
	Unfavorable	Neutral	Favorable
Product quality	High	High	High
Domestic market share	High	Medium	Low
Value added	High	Medium	Medium

**Table 3. Significance of competitiveness criteria depending on the need for structural changes in the industry**

Criterion	External economic environment		
	High	Medium	Low
Product quality	High	High	High
Domestic market share	Medium	Medium	Medium
Value added	High	Medium	Low

With a consistently high significance of the product quality criterion, the importance of the value added criterion increases as the need for structural changes in the industry increases (accelerated development of science-intensive production, technological innovations, technical modernization of production).

### Conclusion.

Thus, the proposed methodology for determining and using indicators for assessing the competitiveness of an enterprise makes it possible to detect both problem areas in the activities of an enterprise and hidden reserves. It is universal, quite easy to use, based on the statistical base of the enterprise, does not require complex calculations, and is a management tool both at the strategic and operational levels. With its help, you can continuously monitor the activities of the enterprise, identifying its "weak points", and make informed decisions on managing competitiveness. The advantage of this technique is that it allows you to determine not only the degree of the current competitiveness of the enterprise, but also its potential readiness to participate in competition in the global market.

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