

Conditions and Factors for Increasing Competitiveness

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ABSTRACT

At the present stage of economic development, an important issue is to maintain and increase the competitiveness of enterprises with similar activities and similar goods produced by these enterprises. The concept of competitiveness of an enterprise is the basis for the economic development of an enterprise, and strengthening its position in the sales market. However, there are certain difficulties associated with ways to increase the competitiveness of the enterprise. The increase in the intensity of competition in the industry dictates the need for enterprises in the regions to introduce effective business technologies.

KEYWORDS: *competitor, enterprise competitiveness, pharmacy, competitiveness assessment, competitiveness analysis.*

The relevance of the topic lies in the fact that in a market economy a high level of competitiveness is the main goal and task of any enterprise, therefore, it can be considered the most important factor in the commercial success of the company. A high level of competitiveness is achieved not only by the quality of management, but to a large extent depends on the competitiveness of products, that is, superiority over products manufactured by competing enterprises.

Competitiveness is the ability of a certain object or subject to outperform competitors in a competitive environment.

The purpose of the study is to develop proposals for improving the competitiveness of the enterprise.

In accordance with the purpose of the work, the following tasks were set:

- ✓ consideration of theoretical aspects of determining the competitiveness of an enterprise;
- ✓ study of the main methods of competitiveness analysis;
- ✓ analysis of the financial condition of the enterprise;
- ✓ Determination of the main ways of increasing the competitiveness of the enterprise.

The object of research is the competitiveness of the enterprise.

The subject of the study is the methods of its improvement in the conditions of the modern economic system of the Republic of Uzbekistan.

The purpose of the analysis of the competitiveness of the enterprise is to study the external and

internal competitive advantage, which allows not only to strengthen the position of the enterprise in the existing sector, but also to enter new markets by offering consumers newer and more modern products.

The theoretical and methodological basis of the study are the works of Russian and foreign scientists M. Porter, G.B. Kleiner, V.A. Salikhov and others.

The practical significance of the study lies in the fact that the proposed measures to increase competitiveness will allow the company to expand the range of products, reduce the costs associated with the company's activities, and improve the quality of customer service, thereby ensuring the company's flexibility to external changes and customer requirements, which will increase the company's net profit.

The most important factor in a market economy is the spirit of competition, which largely determines the forms of economic activity of people and is most clearly manifested in such an economic category as competition.

Competition arises when a lot of goods with similar consumer properties are sold on the same market. The essence of competition is to improve or maintain the position of the enterprise in the market, which is achieved due to the difference between the goods supplied by the enterprise and the goods - competitors both in the degree of compliance with the specific needs of customers and in the costs of satisfying it. The goal of competition is to fight for the highest possible profit.

The competitiveness of an enterprise is a property characterized by the degree of actual or potential satisfaction of a specific need in comparison with similar objects presented on the market. The competitiveness of the enterprise is due to the competitive position occupied by the firm.

The concepts of enterprise competitiveness and product competitiveness are different and determine, respectively, the degree of satisfaction of a specific need by an object or objects on the market and the ability of goods to compete with each other.

In all spheres of the economy, competition is obvious - from small business entities to the scale of the global economy. In a market economy, the effectiveness of business entities mainly depends on how carefully they studied the laws of competition, all its manifestations and forms, and how the business entity prepared for competition.

The constant stimulation of competition is the most important moment of the country's policy, the determining factor in the economic environment. Competition maintains equality between participants in economic relations - it allows sellers and buyers to freely make a choice. Under competition, the buyer has the opportunity to choose from the sellers of the goods he needs; the seller also has a similar one - to freely decide on the place, time and conditions for the sale of his goods, works, services.

Competition is a necessary condition for existence, it is the foundation of the entire market economy - it allows the price to perform its own coordination functions, to act as an indicator of the presence of a shortage or surplus. The market will exist only if there is competition. Competition is a controlling factor in the effectiveness of the functioning of private entrepreneurship - it stimulates structures that inefficiently use all available resources to leave the "field of the economic game". As a result, competition is the key to increasing the efficiency of entrepreneurship and economic growth in the country.

According to the methodology of the American economist, Professor of Business Administration at Harvard Business School M. Porter, there are five forces that determine the level of competition, and, consequently, the attractiveness of doing business in a particular industry (Figure 1).

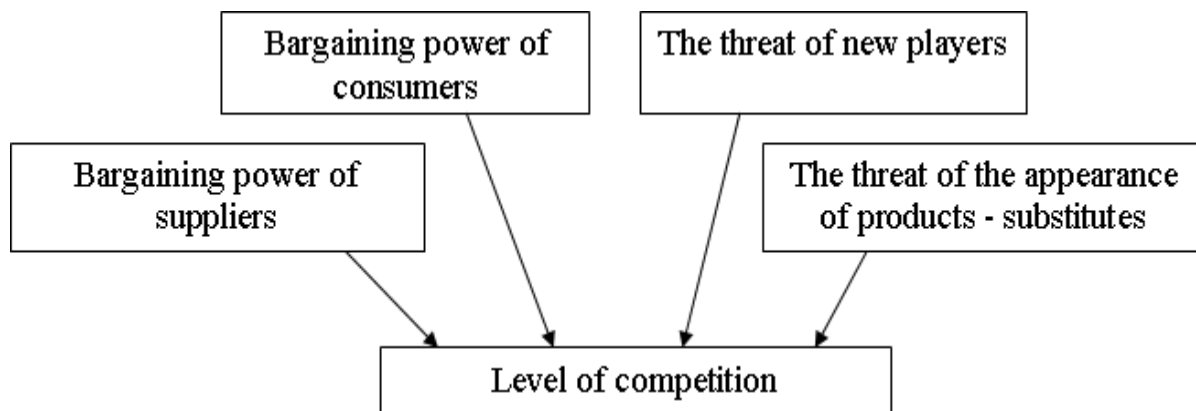


Figure 1 - Five forces of competition according to M. Porter

Porter's five powers include:

- analysis of the threat of the emergence of substitute products;
- analysis of the threat of new players emerging;
- analysis of the market power of suppliers;
- analysis of market power of consumers;
- Analysis of the level of competition.

Porter calls this kind of force a “microenvironment”, contrasting it with a large number of factors that are included in the term “microenvironment”. The macro environment includes those forces that affect the level of a company's ability to serve its own customers and generate the desired profit. Changes of any kind from the forces of the "microenvironment" usually require the company to reconsider its own place in the industry and in the market. A sufficient level of industry attractiveness does not mean that any kind of company in it will receive the same amount of profit. Companies must apply their own core competencies, business models or distribution networks in such a way as to generate an amount of profit more than the industry average. A good example is the passenger air transportation market. In an industry where the level of profitability is quite low, there are companies that, due to business models of a unique nature, receive an amount of profit slightly higher than the industry average. This is important in a highly competitive environment.

Conclusion.

There are two most important ways that an entrepreneur can follow when doing business, they are conditional mechanisms and ways of conducting competition in the market. The first way: you can simply do in the same way as a competitor, releasing a similar product and selling it at lower prices. The second way: you can try to achieve some advantages over competitors by applying the properties of your product of a qualitative nature.

Price competition is based on the use of price as the main instrument of market policy in the process of competition. It is necessary to keep in mind that the market practice of many states has convincingly proved the inefficiency of this approach to competition. The effect in this case, if it takes place, exists for a fairly short period of time.

Non-price competition is characterized by focusing on the characteristics of a product or product of a unique nature, while taking into account not only the consumer properties and quality characteristics of the product itself, but also the range of services offered by the seller to the buyer in the process of

selling the goods.

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