

The Choice of the Competitive Strategy of the Company

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Abstract. The article uses methods of assessing competitive advantages, identifies key success factors, and draws up a strategic map of competitors of the studied IT company in order to choose a strategy and develop measures for its subsequent implementation in an innovative environment.

It is proposed to open a technology development center on the basis of the company, turning it into a cluster, which will contribute to the implementation of the company's differentiation strategy , ensure its strategic innovative development.

1. Introduction

Competitive strategic analysis plays a huge role in the company's activities. Evaluation of competitive advantages allows the company to determine the direction of its future activities, to identify the most important partners, to form a more competitive position, to increase profitability and efficiency of its activities [1] . That is why the study of the problems of developing a competitive strategy of the organization is of permanent interest and is relevant.

2. Materials and methods

For a successful SWOT analysis of the organization's environment, it is important not only to be able to uncover threats and opportunities, but also to be able to assess them in terms of the importance and degree of influence on the organization's strategy. The method of positioning each specific opportunity on the opportunity matrix is used to assess the opportunities (table 1).

A similar matrix is developed for threat assessment (table 2). On top of horizontally laid possible consequences for the organization, which can lead to the realization of the threat (destruction, critical condition, serious condition, "light injuries") [2]. On the left vertically postponed the probability that the threat will be implemented (high, medium, low).

To assess the impact of the macro environment on the activity of the analyzed company take the basis of an advanced method of PEST-analysis and prepare a matrix analysis of the factors in the macro environment [3,4]. In this case, we will make assumptions that all the analyzed indicators are estimated by gradation from 1 to 10, and the direction of the impact of the factor can be positive or negative.

Table 1. Organization capability matrix.

Probability of Impact using the opportunity	Strong			Moderate	Small
	High	Middle	Low		
High	1. There was an opportunity to adjust in correlated products, and release of new Internet items service 2. Increasing the number of orders	1. Increasing the diversity of correlated products, and release of new Internet items service	1. Highly qualified staff network that selects suppliers	1. A stable circle of customers	1. High service level 1. Competitor companies have increased the price of services Companies-competitors raised the price of service
Middle					
Low					

Table 2. The threat matrix organization.

Probability of threat realization	Possible consequences			
	Destruction	Critical condition	Serious condition	«A couple of injuries»
High	--	-	-	1. A large foreign competitor is expected to enter the market
Middle	-	-	1. Loss of leading position in the industry	1. This year, the largest wholesale buyer identifies suppliers based on tender results;
Low	-	-	-	1. A number of leading specialists have retired

Based on the above, we can draw the following conclusions: political stability, developed through the approved development strategy affect the activities of the company positively. Due to this, the company will be able to operate in a politically defined external environment, the certainty is somewhat undermined by the existing instability and the lack of foreign investment.

Limiting global trade will not have a positive effect on the company, but at the same time its impact will be insignificant due to the low share of foreign technologies and equipment[5].. More important can be the loss of opportunities for staff development in foreign institutions and the continuity of their experience.

Reduction of personnel qualification, as well as shortage of working personnel will have a negative impact on the company's activities and will lead to deterioration of the quality of services, possible loss of both a competitive position and consumers and additional costs. Technological development can ambiguously affect the company. The type of impact will depend on the type of technology

change in the market.

The increase in requirements will not significantly affect the company's operations due to the fact that the company provides services and does not have a large impact on the environment. There may be a positive impact in the case of benefits for low emissions or the use of "green" technologies.

Natural disasters, extreme weather conditions negatively affect the company's operations.

Analysis of the strength of the competitive position of the company is feasible by the method of A. Thompson Jr. and A. J. Strickland [6,7].

Let's make a list of key success factors and evaluate them so that the total rating is 1. Let's evaluate each factor for the analyzed company and competitors, compare the results (table 3).

Table 3. Key success factors.

Nº	Key success factor	Rating	Researched company »	The company – competitor
1	Market size	0,1	6	8
2	Financial liquidity	0,1	5	7
3	Product quality	0,3	9	7
4	Brand promotion	0,15	7	10
5	The professionalism of the staff	0,15	8	8
6	Location	0,1	10	10
7	Customer orientation	0,1	10	8
	Total	1	8,05	8,1

Thus, the result of the analysis allows us to conclude about the stability of the analyzed company relative to the leader-competitor. Thus, the company lags behind its main competitor by 0.5 points.

We highlight the key success factors of the analyzed company and its competitors in Russia.

1. Brand awareness, product quality, good location;
2. Availability of an expensive brand recognizable in Russia, well-organized service and timely delivery to the point of sale);
3. Knowledge and experience;
4. Rapid adaptation to changes, highly effective management team [8,14].

In order to achieve the above success factors, it is necessary to carry out concentrated growth activities and ensure quality control. Let's make a map of strategic groups (Fig. 1) in the sale of intellectual services, combining the horizontal axis of the key success factors associated with the organization of production and management of the company, and the vertical axis – innovation and product recognition.

Select the main players in the market of Internet technologies in Russia:

- Center of Internet technologies «Fact»;
- Epic Skills;
- LLC "ROCIT»;
- Dunkin' Donuts.

The largest company is LLC "ROCIT" {R}. LLC ROCIT has more clients, than the investigated company. As well as the researched company LLC "ROCIT" has a strong brand awareness and loyalty of the customer base.

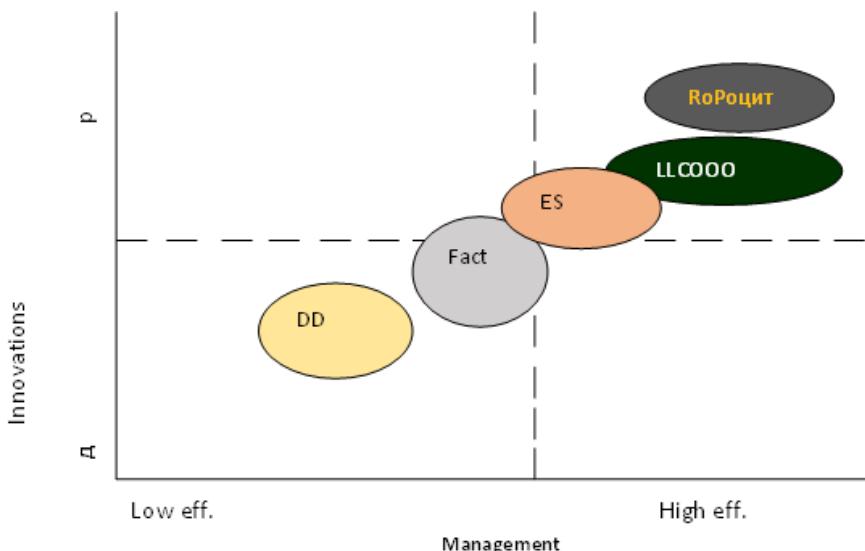


Figure 1. Map of strategic groups of competitors.

The analysis of the data shown in the figure leads to the conclusion about the commonality of the analyzed company (LLC) with the main competitor LLC "ROCIT"(R) on the selected key factors of success in the IT market. Assessing the previously conducted SWOT analysis, it can be concluded that based on its results, the company implements a strategy to preserve, strengthen and use its strengths. As an additional strategy, they can choose - to eliminate weaknesses [9,16].

We cannot ignore the strategy of using the opportunities of the external environment and eliminating threats of the external environment, as it is in the complex of these strategies will work most effectively.

In accordance with the directions of development of the industry and the existing directions of state support, it is proposed to choose the technological strategy of the company based on the competitive differentiation strategy. Next, we present its characteristics and the choice of the implementation mechanism. A technology strategy can be internal – in-house research and development, and external, which at this stage of resource constraints, is more preferable.

There are several channels of external technological development:

- organization of scientific and technical cooperation and coordination of efforts to implement developments;
- purchase of licenses, know-how, purchase of technological equipment.

Using this channel, the organization focuses on the acquisition of high-tech innovations, which requires a preliminary study of the technology market, the selection of the most promising of them in accordance with the interests and capabilities of the company [10].

The best conditions for such cooperation can be created by mutual acquisition of licenses, guided by the motives of cooperation and maximizing the overall success. The choice of an external technological development strategy and its effective implementation for the majority of innovative inactive organizations (and so far the majority) can become a catalyst for the activation of their own original developments [11].

For the development of an innovative environment in the field of industrial engineering is proposed on the basis of the study company - the creation of an existing infrastructure facility – the Center of technological development, in which participants will be able to solve a wide range of problems in the industry, in particular design, engineering services, etc.

This infrastructure subject, within the framework of the differentiation strategy, should also solve the problems of development of the personnel training system and the introduction of innovative technologies that ensure the development and production of innovative competitive products and

contribute to solving the problems of industrial and socio-economic development of the region in the long term.

The goal of the center is to increase the competitiveness of cluster enterprises through the optimization of the development (of innovative technologies), production and introduction of advanced technologies and technological equipment for the complex decision of problems of modernisation and technological development (re-equipment) of enterprises and organizations of the cluster based on:

- the creation of new domestic innovative technologies;
- systematization of the import of advanced technologies of leading world manufacturers;
- improving the efficiency of investments in the areas of modernization and technological development of enterprises;
- comprehensive assistance to the innovative development of domestic companies [12,15].

The main objectives of the development of the Center are the organization of the introduction of advanced technologies and equipment, in accordance with the requirements of the modern market of these products and services, including:

- Comprehensive assistance to Russian developers and manufacturers; - Information and analytical activities in the field of high technologies, including research of market trends, innovative trends and projects, rating of world manufacturers of technological equipment, etc.;

Participation in the creation of scientific and educational centers of effective technologies in specialized Universities that solve problems:

- attraction of new mechanisms of continuous updating of innovative material base providing advanced training and retraining of specialists;

- improving the level of knowledge of the teaching staff on the basis of new solutions, technologies and equipment;

- development and practical implementation of modern effective technological solutions for enterprises;

- increasing the level of scientific development on the basis of new knowledge in the field of instrumentation and related industries, generating new opportunities of expanding the spectrum of research, development and technological work;

- advertising and information activities (including exhibition) on the profile of specialization of the center [13,20].

Table 4. Administration of the strategy implementation process.

No	Task	Required tools/resources	Sources of income	Execution time
1	Develop a competitive differentiation strategy	Market research	Own research	6 months
2	To develop an innovative product taking into account the characteristics of each region	Experimental models	Investments at the expense of profit	1 year
3	Increase of technical level	Investments of about 4 million	Company profit	1-2 year
	Improving the quality of service	New, trained staff	Own search	1 year
5	Sales market expansion	Market research	The company's profit, franchising	3-4 years
6	Increasing the level of motivation among employees	Investments about 5 million rubles per year	Company profit	1-2 years

The center can play the role of coordinator, including the solution of such tasks as the unification of

the purchased equipment, reducing the cost of its maintenance. Today, work in these areas is carried out, but haphazardly - without the presence of a common coordinator.

To determine the tasks of implementing the strategy of the analyzed company, it is necessary to perform the administration of the work execution process. The results are summarized in table 4.

To start the centre's differentiation strategy, investments are needed in the preparation of premises and the purchase of equipment. Part of the equipment is transferred to the use of the center by the company. The cost structure is shown in table 5.

Table 5. Center equipment costs.

One-time equipment costs (thousand rubles)	
The site Assembly of components	12500
Control equipment section	5700
Installation and commissioning of equipment	5300
Total	23500

The result of the project will be the growth of competitiveness of the group of companies, which can be estimated by the following indicators in table 6 (method of N.Yu. Shchetinina) [16,18].

Table 6. Indicators of competitiveness.

Nº	Indicators of competitiveness	Δ
1	Image	Δ1
2	Level of innovation development	Δ2
3	Efficiency of creation and use of competitive advantages of the industry	Δ3
4	Efficiency of creation and use of competitive advantages of the city	Δ4
5	The level of labor productivity in the company	Δ5
6	The competitiveness of the final products	Δ6
7	Quality of all types of resources	Δ7
8	Effectiveness of product promotion on the market	Δ8
9	Effectiveness of product sales in the markets	Δ9

Weighting factors δ are taken on the basis of the importance of indicators at the time of determining the competitiveness index of the cluster being created. Quantitative gradation of the above factors K_i varies in the range from 0 to 100 points [17,19].

Metrics are developed and appropriate assessment tools are used to measure K_i indicators. In the given system of indicators of competitiveness of the cluster, attention is drawn to the main one – the indicator of the image of the cluster. The assessment showed the result in the range of 85-95 points, which indicates the correct choice of the company's strategy.

3. Results

The creation of the center will allow the company to solve the most important task – to create a cluster that allows to implement the differentiation strategy, in conjunction with the functional strategy of technological development and improve its competitiveness. In the absence of the center, such technological development and implementation of the differentiation strategy is not possible. The center will solve the problem of technology transfer in the field of development of instrumentation, the organization of a modern design and prototyping center, available not only for the company but also for other businesses and nearby regions, adequate training.

4. Acknowledgment

The authors proposals were discussed at the conference of the Moscow economic Institute, at the meetings of the Department of management of the Plekhanov Russian economic University, directly in the organization during the implementation of the project.

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