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# The Factor that Make Competitive Advantages.

## (The methods which define the effectiveness of productive activity)

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***Abstract*— Efficiency of the chosen strategy of development of managing subjects depends on many factors. Competitiveness is the most important factor.Forming of competitive edges and competitiveness of company takes place due to introduction of innovations, mastering of new perspective market niches, that provides access to breach technologies and allows to diversify activity of company. In order to solve the problems it is necessary to conduct a logic analysis uniting different approaches of qualimetric and economic analysis structurally. The proposed method gives the possibility of obtaining an objective assessment of the effectiveness of management decisions can be attributed to the decision of multiple usage.In the most advanced firms of the world, the efficiencywas increased considerably due to the introduction of elements of the fifth technological structure and the transition to the sixth. The sprouts of the subsequent mode appear at back of the previous.In modern terms, when a crisis strikes all world associations, it is necessary to save large industry. It is impossible to lose a competitiveness and markets. Breakthrough to the seventh technological mode is necessary. It is a unique exit from the folded situation. If a situation does not change, the economy of countries will degrade, as industry presents the chaotic set of the modes (fifty percent in that managing subject of third-fourth technological modes).Production systems, the sixth mode in the developed economies is up to thirty percent. It's time to move from negative to positive development scenarios.**

***Keywords*— *Qualimetrical and economic analysis, definition of indicators of competitiveness, breakthrough technologies, ensuring quality, technological modes, assessment of efficiency, conjecture of the market.***

## I. INTRODUCTION

At present, the most important factor determining the level of the national economy is the competitiveness of its economic entities[1].

The problem of creating competitive companies, knowledge of methods for determining competitiveness indicators is very relevant. Since according to the research conducted by the scientists of the Russian Academy of Sciences, the willingness to compete successfully in the domestic market is demonstrated by only 25% of Russian enterprises, 18% - on the CIS markets, 9 % - in "the far abroad" ". At present, the most important factor determining the level of the national economy is the competitiveness of its industrial enterprises, depending on the effectiveness of the chosen development strategy[2].

For the optimal choice of strategic development it is necessary to solve the following tasks:

to study and analyze the assortment of goods offered on the target market for a given nomenclature;

to determine the characteristics of the target market and form the target segments;

to assess the level of quality and determine the competitiveness of goods that will ensure commercial success to the economic entity in the market;

to assess the competitiveness of an enterprise in the sectoral market;

to determine the factors that have the greatest impact on the competitiveness indicators of the firm[1], [2].

Formation of competitive advantages and competitiveness of companies is due to the following factors:

introduction of innovations and improvement of technology. Innovations can appear in various areas (improvement of design, technology, work organization, marketing, development strategy);

development of new promising market niches;

development of R & D, which provides access to breakthrough technologies and allows to diversify the company's activities[3]–[5].

## II. THE MAIN PART

We have studied and systematized the works of scientists: S.V. Glazyeva, A.V. Abramova, S.V. Ivanova, N.D. Kondratyeva, L.V. Makarova, R.V. Tarasova, O.F. Akzhigitova, P.N. Timoshenko, N.K. Timoshenko, O.V. Khlopenko, etc. To carry out the tasks, we propose to conduct a structural and logical analysis combining different approaches to qualimetric and economic analysis, which has a greater degree of generality in determining the enterprise's competitiveness indicators and manufactured products. The need for such an approach is objectively conditioned by qualitative changes in the economy, the transition of economic entities to new conditions. Combining the approaches of qualimetric and economic analysis, structural and logical analysis realizes its main function - structuring and concentration of economic information for making managerial

decisions to improve the efficiency of production, the competitiveness of the enterprise and its products[6].

The economic justifications which we have carried out include: substantiation of particular decisions, choice of a technical processes variant, evaluation of the effectiveness of a set of measures, evaluation of the efficiency of an economic entity, etc. In connection with this, it is required to perform rather complex and time-consuming work[7].

Economic efficiency is determined on the basis of a series of consistently performed calculations of technical and economic indicators (product cost, payback period, profit, discounted value of the income, additional capital investments, etc.), the degree of detail of which depends on the characteristics of each stage of work[8].

Economic efficiency is calculated step by step: at the first stage, the integrated calculation is carried out. This facilitates the decision of the question of introducing innovation in this production process, allowing to formulate the project assignment so as to ensure maximum efficiency[9].

At the stage of technical design, the whole complex of calculations is carried out, which made it possible to find the most effective solution of the problem, and chose the most optimal variant.

These calculations are made for the entire set of indicators[10].

The evaluation of effectiveness is carried out by comparing the cost and natural indicators characterizing the various ways of solutions.

When assessing the economic effectiveness of measures that affect the results of the structural department, production site, or business entity, the total cost of production is determined. When determining the effectiveness of particular solutions (improving separate operations or small groups of them), it can be limited by calculating costs changing in connection with the implementation of this improvement[11].

The methodology makes it possible to obtain an objective assessment of the effectiveness of a administrative decision combining different approaches to qualimetric and economic analysis by the means of structural and logical analysis.

The methodology developed by us can be referred to the solutions of diversified use[12], [13].

The general scheme of the proposed methodology consists of the following stages:

The first stage is the study of market conditions and an assessment of its capacity, consisting of the definition of consumer opportunities, the preparation and implementation of market segmentation and determination of market capacity[14].

The second stage is the calculation of the competitiveness of the goods, based on the study of the quality level (technical level of products); the degree of novelty in the market; the image of the goods manufacturer; the consumption prices as an economic aspect and the assessment of the competitiveness of the services offered at the goods sale[14]–[18].

The third stage is the assessment of competitiveness based on the theory of effective competition, consisting of the criteria for the effectiveness of production activities, the financial situation, the organization effectiveness of marketing and promotion of goods and determining indicators of the competitiveness of the goods[14], [19].

When analyzing the state of competitiveness, it is necessary to take into account historical, social and even national factors. At the same time, it is necessary to isolate correctly all the revealed inconsistencies into the main causes and consequences, realizing that eliminating the main reason, we simultaneously and automatically eliminate numerous negative consequences. The success of every company, at present, depends to a large extent on its innovative potential, efficiency, quality and competitiveness of the goods and services produced. Moreover, the innovation potential should be understood as the ability to supply the market with new competitive products, technologies and approve them on the market, which is the factor that determines the chances of the economic agent to survive[20]–[22].

Currently, most often the supply exceeds demand in the markets. As a result, competition in the field of pricing and quality is increasing. The company must develop a strategy for the development and protection of its possible advantages. The number of industries undergoing rapid technological changes is constantly growing. Industrial innovations are becoming an increasingly important marketing tool that allows business entities to win competition and consolidate its market advantages[1], [2]

The company's innovative potential is an indicator of its ability to adapt to the rapidly changing market situation[23].

The reason for this is the use of "breakthrough technologies." However, the growth in production capacity is already limited, as the potential for rationalization is largely exhausted. There has been an acute need for a complete transition to the sixth technological order[4]. The effectiveness of the chosen strategy for the development of economic agents depends on many factors. The most important is competitiveness. The formation of competitive advantages and competitiveness of the company is due to the introduction of innovations, the development of new promising market niches, which provides access to breakthrough technologies and allows diversifying the company's activities. To solve the set tasks, it is necessary to conduct a structurally logical analysis combining different approaches to qualimetric and economic analysis. The proposed methodology makes it possible to obtain an objective assessment of the effectiveness of the management decision. We developed methodology which can be attributed to the decision of diversified use. In the most advanced world firms, efficiency has increased significantly due to the introduction of elements of the fifth technological order and the transition to the sixth. Sprouts of the subsequent way appear in the depths of the previous one. In modern conditions, when the crisis affects all the world's communities, it is necessary to preserve large-scale industry. You can not lose competitiveness and markets. A breakthrough is necessary to the seventh technological order. This is the only way out of this situation. If the situation does not change in our country there will be a threat of deterioration, because industry represents a chaotic set of ways (fifty percent in which economic entities of the third and fourth technological structures). Production systems, the sixth way in the developed economies is up to thirty percent. It was time to move from a negative to a positive development scenario[24]–[26].

Non-price measures, with which the company can significantly strengthen its position and reduce the pressure of competitors, can be attributed along with industrial innovation and quality assurance. Not possessing a sufficiently high level of quality, products can not be established in the market, especially in the market with medium and high prices, large consumer opportunities. The basis for the success of Japanese industrial products was the combination of the latest technology, technology with high quality but relatively low prices.

## III. CONCLUSION

Thus, the desire to improve efficiency and improve quality does not exclude, but on the contrary, with effective quality assurance measures, can condition each other[27]–[30].

On the other hand, the high quality of the goods can improve the image of the company, which will lead to a demand increase. The increase in demand will allow expanding the volume of production and leading to a reduction in the prime cost.

The methodology, we proposed for determining the competitiveness of an economic entity, integrating the different approaches of qualitative and economic analysis by carrying out a structurally logical one, allows us to make the most effective management decisions. This can be evidently seen in the results of desk research, field studies, experiments in the structure of scientific research which we have carried out for LLC ―Kuban-Agro", LLC ―Dnia".

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