



**GLOBAL TRENDS AND PROSPECTS
OF SOCIO-ECONOMIC DEVELOPMENT
OF UKRAINE**

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The scientific monograph presents the global trends and prospects of socio-economic development of Ukraine. General questions of economics and enterprise management, regional economics, marketing, modern management, general pedagogy and history of pedagogy, theory and methods of vocational education, general questions of historical sciences, and so on are considered. The publication is intended for scientists, educators, graduate and undergraduate students, as well as a general audience.

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**ORGANIZATIONAL AND ECONOMIC MECHANISM
OF INCREASING THE COMPETITIVENESS
OF AGRICULTURAL ENTERPRISES**

Olha Khaietska¹

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Abstract. The article analyzes the organizational and economic principles of functioning of agro-industrial enterprises, explores the possibilities of increasing their competitiveness. In particular, it is noted that the category of “organizational and economic mechanism” is the most important part of the economic system, including in the agricultural sector. The essence, content and adjustment of the organizational and economic mechanism is determined by many scientists and researchers, the focus is on industrial relations and economic laws. It is important to understand the levers of organizational and economic mechanism (economic and organizational). Economic factors include: the mechanism of market pricing; levers for investing and lending bonds, financing; self-financing of investments; accumulation and investment of capital, state regulation and state support. Organizational factors include: structural levers; organizational and technical levers; levers of management organization; corporate planning and information levers. Using the levers of self-sufficiency, the peculiarities of the activities of agar enterprises in the domestic and foreign food markets are manifested to obtain the most attractive effect with minimal costs.

An important component of economic efficiency of agricultural enterprises is the maintenance of competitive conditions as a stimulus for the rational functioning of enterprises and organizations. Pure competition is an incentive for society to minimize costs and maximize profits, as well as adhere to marginal productivity. Competition is best manifested in terms of economic dynamics. Competition increases supply, improves product quality, improves service and availability, and reduces production costs.

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The article analyzes the views of economists on the category of “competitiveness”, provides indicators of competitiveness (price, market and quality indicators), the structure of the mechanism for improving the competitiveness of agricultural enterprises, proposed methods for assessing the competitiveness of enterprises and effective management of enterprise competitiveness. It is noted that the competitiveness of production in the agro-industrial sector depends on resource supply, infrastructure development, the level of development of labor resources, the external environment, which is based on state policy on its development and more. To increase the competitiveness of enterprises should have competitive advantages: to improve their activities and increase their efficiency, to influence the market environment, to ensure the maximum possible result for each unit of labor, material and financial resources spent.

Therefore, for the effective functioning of agro-industrial enterprises, increasing their competitiveness, it is necessary to apply a complex and effective organizational and economic management system. The main directions of increasing the competitiveness of agar enterprises are effective marketing policy, improving quality, service, maintenance, reducing production costs and production costs with maximum benefit in the future, as well as involvement in the production of new technologies, complex mechanization and automation, rational use of means of production and resources involved, etc. The use of these factors will ensure further growth and increase the efficiency of production of agricultural enterprises.

1. Introduction

Organizational and economic mechanism of effective functioning of agricultural enterprises is a system of organizational, economic and legal levers and methods, which together provide a high level of profitability and efficiency. Given the hierarchical levels of government, such a mechanism includes mandatory elements: state and regional governance, development forecasting and planning, incentives, tax and credit policies, product pricing, and cross-sectoral relations. All these elements are interconnected, form a holistic system of influence and ultimately affect the competitiveness of agricultural enterprises.

Organizational and economic mechanism is a set of organizational, economic forms and methods of functioning, interaction and regulation

of elements of economic and managerial decisions aimed at achieving the end result.

The meaning of the category “organizational and economic mechanism” includes certain terms: organizational mechanism and economic mechanism, each category has its own meaning and content and is considered in economics in relation to what process or phenomenon is studied (physical, economic, technical).

Competition is a key concept that expresses the very essence of market relations. The readiness of economic entities to compete depends on the awareness of the nature of competition, forms of its manifestation, methods of competition and the factors that determine the effectiveness of economic entities in such competition.

Competitiveness – a stable position of the country’s producer in domestic and foreign markets, due to economic, social and political factors, its ability to withstand international competition. The purpose of the article is to study the peculiarities of the formation of organizational and economic mechanism and increase the competitiveness of agro-industrial enterprises in modern conditions.

The implementation of a comprehensive assessment of competitiveness should be considered as a set of four interrelated stages: analysis of market conditions; formation of a system of competitiveness criteria; determining the level of competitiveness and developing proposals for its improvement. Competitiveness assessment is a dynamic process that has a cyclical nature and is implemented taking into account the principles, the basic of which are: complexity, system, optimality, relativity, dynamism, information reliability and adequacy of environmental factors and more.

2. The essence and components of the organizational and economic mechanism

Melnyk M. proves that the organizational and economic mechanism is a set of forms and methods through which the organization of social production in it is carried out and its economically expedient activity as a whole is coordinated [10, p. 58].

Considering the organizational and economic mechanism, I. Ponomarek and E. Polyakova note that it is a mechanism for using economic laws, a set of ways and methods of reconciling economic contradictions, combining the

economic interests of society. The authors point out that, «organizational – economic mechanism is inextricably linked with the activities of people and belongs to the sphere of objective economic relations» [13, p. 55].

The structure of the organizational and economic mechanism of the enterprise is shown in Figure 1.

Organizational and economic mechanism is a production relationship in the field of economic and marketing activities that exist between business entities and are based on the law of value and other economic laws under an effective, efficient organizational structure [3, p. 43].

The effectiveness of the organizational and economic mechanism depends on the economic and organizational factors of production, including certain types of services: banking, insurance, investment and innovation, etc.

According to P. Sabluk, the improvement of the organizational and economic mechanism can be carried out through integration into production, cooperation, organization of financial activities and the creation of an effective market infrastructure [16, p. 63].

Thus, the essence of the organizational and economic mechanism can be revealed through a system of organizational, economic determinants, factors, tools that affect the economic activity of subcomplexes, industries, enterprises, which are aimed at achieving the stated goals to increase efficiency.

Organizational and economic mechanism should be considered as part of the economic mechanism and general management. Its essence is a set of ways to influence production processes and businesses to achieve certain development goals. The main components of the organizational and economic mechanism that affect the objects of management are the impact of soil and climatic conditions, product quality requirements, storage and processing conditions, the impact of globalization processes and defined strategic goals of industry development. In each sector of the economy, the organizational and economic mechanism has its differences, so it is important to justify the parameters of influence in order to increase the overall effect to achieve certain development goals.

3. Organizational and economic mechanism in the agricultural sector

Organizational and economic mechanism in the agricultural sector should be considered as a system of organizational, economic, legal,

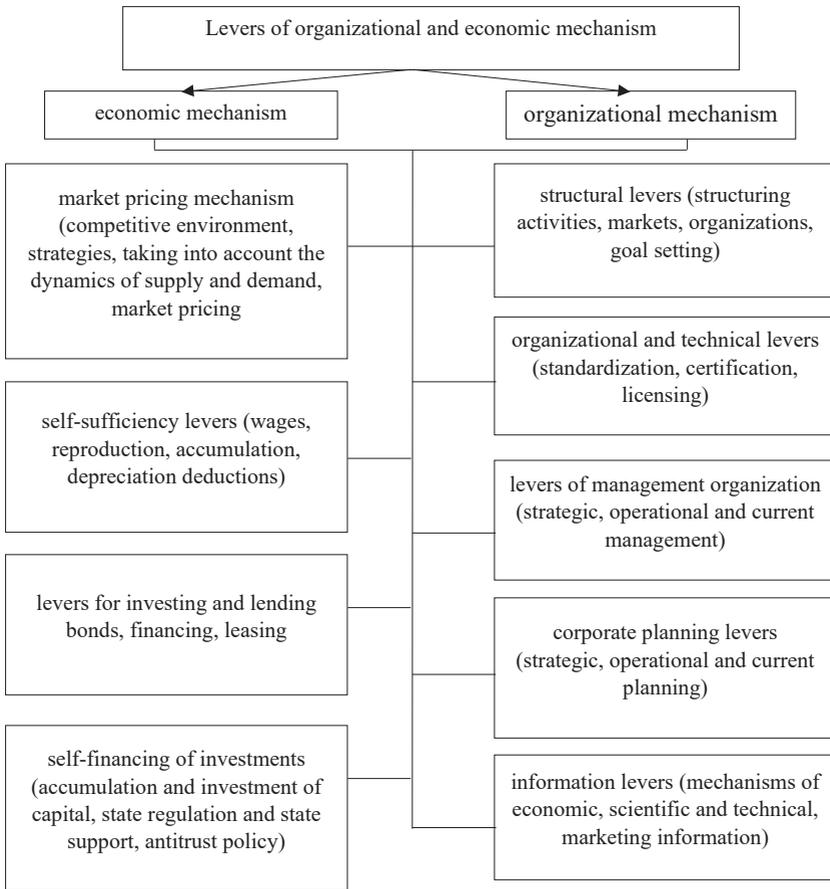


Figure 1. Components of the organizational and economic mechanism

Source: [19]

managerial and regulatory actions, methods and processes that shape and influence the functioning of agricultural enterprises, which will lead to expected economic, social, environmental and other results [10]. “The regulatory mechanism should be considered as a set of organizational and economic methods and tools that perform interrelated functions to

ensure continuous, effective operation of the system (state) to improve the functioning of the economy”.

The agricultural sector is a complex integrated socio-economic system of industries, including enterprises, agricultural formations, institutions belonging to different forms of ownership and different industries. It is necessary to take into account the peculiarity of the agricultural sector that it is a complex biotechnical system. In its central link agriculture uses the most important natural means of production: land, plant and animal organisms, water, light, heat, etc. In this regard, the reproduction of intertwined natural and socio-economic processes. Therefore, the economic mechanism must be extremely flexible, meet not only the requirements of economic but also natural laws. Only on this basis it is possible to ensure the true economic independence of production units located in different climatic and meteorological conditions, as well as flexibly maneuver resources.

The existing management model needs to be transformed, to identify the features of organizational and economic mechanism as an integration concept in market conditions, its impact on production efficiency, ie it is necessary to intensify the development of economic approaches and techniques to improve organizational and economic management mechanism. Reorganization of agricultural enterprises and privatization of land create objective preconditions for improving the domestic economic mechanism, changes in peasant psychology.

The effectiveness of the organizational and economic mechanism of functioning of agricultural enterprises will depend on the optimal choice of tools, levers and the effectiveness of their impact on the functioning of agricultural enterprises. Changing the structural parts, selected tools and levers of influence will automatically cause a change in the organizational and economic mechanism and change the consequences of its action. In addition, it is necessary to take into account the peculiarities of the functioning of agricultural enterprises in the domestic food market. In view of the above, the definition of the organizational and economic mechanism of functioning of agricultural enterprises in the domestic food market is presented in this author's interpretation.

Organizational and economic mechanism of agricultural enterprises in the domestic food market is a set of organizational and economic elements of agricultural enterprises that ensure maximum stability of the enterprise in

the market and obtain maximum results from market activities with minimal costs, which in contrast to the established interpretation of the economic mechanism formation and sale in the system of sales of agricultural products. Consideration of this concept in a broad sense provides a comprehensive study and solution of the problem of functioning of agricultural enterprises in the domestic food market [10].

The formation and development of organizational and economic mechanism have a specific influence on the peculiarities of agriculture as an industry. However, the mechanism should be considered in two directions, objective and subjective. The organizational and economic mechanism of functioning of agricultural enterprises in the domestic food market carries a specific expression of objective laws that are formed at the macro and microeconomic levels. In subjective terms, the organizational and economic mechanism of functioning of agricultural enterprises in the domestic food market can be considered as a system of consciously established forms and methods of organization, management, planning, financing, pricing, incentives, lending, accounting and control. It is formed and implemented at several levels: country, region, district, enterprise, unit.

Thus, the organizational and economic mechanism of agricultural enterprises in the domestic food market is a set of organizational and economic elements of agricultural enterprises that ensure the maximum possible stability of the enterprise in the market and obtain maximum results from market activities with minimal costs. provides for its formation and implementation in the system of marketing of agricultural products. This concept in a broad sense provides a comprehensive study and solution of the problem of the functioning of agricultural enterprises in the domestic food market.

4. Competition as an economic category and incentive for business entities

Limited resources lead to rational behavior of producers, who must choose between competing purposes of their use. At the same time, consumers have a choice between competing uses of money, which forces sellers to compete for consumer money. A. Smith and D. Ricardo noted competition as a competition for profit [2, p. 88].

M. Porter in his work defines competition as a dynamic process that develops; a constantly changing landscape with new products, new marketing methods, new production processes and new market segments [14, p. 88].

J. Schumpeter also made a significant contribution to the development of competition theory, noting that perfect competition for society is an incentive to minimize costs and bring wages as close as possible to its marginal productivity. Effective competition [17] is possible only in conditions of economic dynamics. This state is provided by a qualitatively new level of production, based on the continuous introduction of innovations, innovation at all levels of technology, management and organization of production, product quality, development of new markets, raw materials. Thus, effective competition is a new type of competition based on innovation [15, p. 77].

Competition performs the functions of regulation, motivation, distribution, control. Thanks to the regulatory function, the main factors of production are directed to those areas where there is the greatest need for them and where they can be used with maximum efficiency.

The function of motivation is performed by competition by encouraging business entities to create better quality and lower cost products.

The distribution function is manifested in the fact that profits are redistributed in favor of the most productive production, where the most efficient use of resources. The control function limits the unilateral actions of business entities and gives the consumer a choice.

That is, the competitive mechanism does not allow any of the business entities to manage the market inseparably and dictate their will to consumers. In the theoretical analysis of economic competition, it is important to identify and understand key terms and concepts, including the object, subject and subject of competition (Figure 2).

The importance of competition is manifested in the following features of its impact on the economy [10]:

- Competition forces entrepreneurs to constantly look for and find new products and services.
- Competition promotes the production of high quality products at reasonable prices.
- Competition encourages rapid response to changing customer needs.
- Competition is a powerful alternative to monopoly.

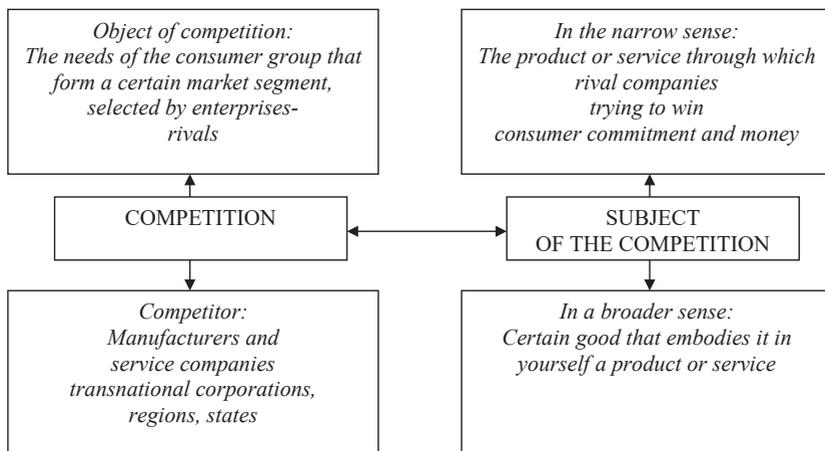


Figure 2. Competition as an economic category

Source: [20]

– Competition promotes the development of technology, science, technology, information systems. Along with the concept of “competition” it is advisable to consider the concept of “competitiveness”.

Competitiveness is manifested only through competition and in appropriate conditions. In market economies, the competitiveness of the enterprise is the result of the interaction of factors resulting from the objective development of productive forces, which are reflected in companies’ policies to improve goods and improve their quality, fight for market share and profit.

Competitiveness is a multifaceted concept that is often used in the practice and theory of economic analysis [25].

The competitiveness of the enterprise means its ability to operate efficiently and ensure profitability in a competitive market. In other words, the competitiveness of the enterprise is its ability to ensure the production and sale of competitive products [25].

The competitiveness of the enterprise is characterized by the ability to provide [26]:

- low production costs;
- uniqueness and features of the offer;

- availability and quality of service;
- eco-orientation of products;
- quality of products (services).

The main approaches to assessing the competitiveness of the enterprise [6]:

– structural, which is based on the decision to adhere to a position in the market. This decision is made by the company based on the level of monopolization of the industry, ie the concentration of production and capital, barriers to new businesses entering the industry market;

– resource, this approach determines the level of competitiveness of the enterprise through the analysis of available resources and efficiency of their use;

– situational – the competitiveness of the enterprise is considered as a process of determining assessments of the effectiveness of market actions in a particular situation in the market;

– target, allows you to consider the analysis of the level of competitiveness of the enterprise as a process of determining estimates that reflect the economic performance of the enterprise in comparison with the relevant targets of competitors;

– quality – based on the study of the competitiveness of enterprise products;

– theory of competitive advantage involves establishing the nature of the company's advantages over competitors and makes it possible to determine the company's position in the market. To characterize competitiveness, the concepts of outstanding scientists are used such as: comparative advantages, comparative costs, comparison of competitive advantages, factors of management and productivity of resource use, competitive status of the firm [9, p. 25].

Modern economists define the concept of “competitiveness” in different ways (Table 1).

At the present stage of development of the agrarian economy, the most important priority of Ukraine's agro-industrial policy should be to increase the competitiveness of domestic producers. This should find comprehensive active support in the actions of the Verkhovna Rada and the Government and influence the formation of a favorable regulatory framework for competition.

The competitiveness of agro-industrial production depends on natural and climatic conditions and features of agriculture, directly determined by

Views of economists on the category

Author	Definition of competitiveness
S.I. Ozhogov	Ability to withstand competition, to resist competitors
M.I. Knysh	The degree of attractiveness of this product for the real consumer
Porter Michael	The property of a product, service, subject of market relations to appear on the market along with similar goods, services or competing subjects of market relations. Evaluation of this property allows to distinguish high, medium and low competitiveness
P.V. Zabelin, N.K. Moiseeva	Ability to make a profit in the short term not lower than the specified, or exceeding the average profit
V.P. Groshev	The complex of consumer properties of the goods defining its difference from other similar goods on degree and level of satisfaction of needs of buyers and expenses for its purchase and operation
A.I. Kredisov	Characteristics of the product, reflecting its difference from similar competitive goods both in the degree of compliance with a specific need and the cost of its satisfaction
W. Stevenson	Describes how effectively a company meets the needs of the customer compared to other companies offering a similar product or service
M.O. Ermolov	Relative characteristic that reflects the differences in the development of a particular manufacturer from a competitor's manufacturer both in the degree of satisfaction with their own goods and the efficiency of production activities
A. Pechinkin and V. Fomin	A complex multifaceted concept that defines the ability of a product to take and maintain a position in a competitive market in a given period in competition with other similar products
V.E. Khrutsky, I.V. Korneeva	Stable ability to meet certain customer needs better than competitors, and thus successfully sell products with acceptable financial results for the manufacturer
R.A. Fatkhutdinov	Property of an object characterized by the degree of actual or potential satisfaction of a specific need compared to similar objects presented in a specific market
I.O. Piddubny, A.I. Piddubna	Potential or realized ability of an economic entity to operate in a relevant external environment, which is based on competitive advantages and reflects its position in relation to competitors
B.A. Reisberg	Real and potential opportunity of firms in their existing conditions to design, manufacture and sell goods that are more attractive to consumers in terms of price and non-price characteristics than the goods of their competitors

Source: [26]

the presence of competitive industries and enterprises. The basis of their comprehensive assessment is the competitiveness of products. Product competitiveness is a comparative characteristic that determines the difference between the analyzed products from competitors' counterparts and contains a comprehensive assessment of the totality of its properties in relation to the identified market requirements or qualities of another product.

The competitiveness of the enterprise is a complex comparative characteristic that reflects the degree of superiority of the set of indicators of evaluation of the enterprise, which determine its success in a particular market over a period of time relative to the set of indicators of competing enterprises.

The main groups of competitiveness indicators are shown in Figure 3.

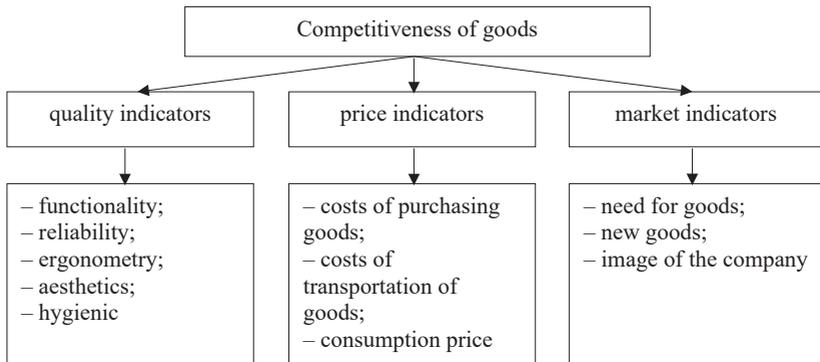


Figure 3. Indicators of product competitiveness

Source: [21]

5. Competitiveness of production in the agro-industrial complex

Competitiveness of production in the agro-industrial complex is characterized by a set of indicators of the functioning of industries and activities of production structures that determine their stable development and success in competition in domestic and foreign markets. It is assessed by the level of competitiveness of its individual enterprises and their products.

Competitiveness of production in the agro-industrial complex largely depends on resource supply. Analyzing this problem in the historical aspect,

it should be noted that initially took into account the dependence on the presence of three main factors of production – natural resources, labor and capital. With the development of production and technical progress, competitiveness began to be determined by higher-level factors, the so-called developed – this is primarily infrastructure, scientific potential, level of education and more.

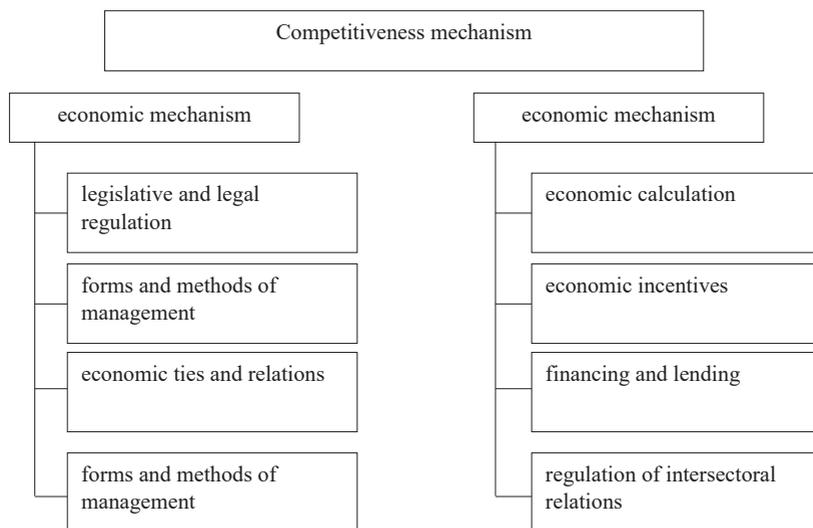


Figure 4. The structure of the mechanism for increasing the competitiveness of agricultural enterprises

Source: [25]

The decisive role in creating competitive advantages of agro-industrial production is played by specialized factors, special infrastructure, special knowledge in the form of scientific and technical databases, the availability of specialists in the relevant field of knowledge and more. Analysis of Ukraine's main factors of production and efficiency of their use in comparison with economically developed countries shows that our country has a high rating in the provision of agricultural land, labor resources, scientific potential, but the efficiency of these factors Ukraine ranks last [18, p. 41]. However, world experience shows that the presence

of factors of production is an important but insufficient condition for successful competition. This still requires a certain demand for products, in particular, demanding consumers, competitive suppliers and associates, fair competition, the appropriate strategy of enterprises for their development and competitiveness.

The competitiveness of agricultural production largely depends on the external environment, which is based on state policy on agricultural development and related sectors of the agro-industrial complex.

In the development of competitiveness of production in the agro-industrial complex agro-industrial policy should be aimed at solving the following tasks:

- improving the regulatory framework for the development of a competitive environment, preventing monopolies in the domestic market and creating a level playing field for competing entities;

- development of demanding demand for products and services by introducing progressive quality standards, expanding the legal framework of consumer societies, disseminating reliable information about goods and services;

- encouraging enterprises to pursue a global strategy for development prospects, efficiency, competitiveness and export expansion;

- continuous development and improvement of infrastructure

- transport, telecommunications, communications, education, health and science;

- conducting a coordinated international structural policy to develop the competitiveness of producers and ensure a level playing field. Thus, by pursuing an active agro-industrial policy, the instrument of which is fair competition, it is possible to achieve the desired coordination of the interests of the state and business entities.

At the same time, the state only creates appropriate conditions for the emergence and improvement of factors of competitive advantage, and directly create these advantages by producers. Assessing the competitiveness of products, the consumer takes into account their needs and the degree of their satisfaction with this product. The rational consumer, having certain limited opportunities (financial, time, etc.), tries to maximize the usefulness of product consumption.

For the manufacturer, the main criterion for evaluating the product is the amount of profit he will receive from the sale of his (goods) sales.

In assessing the competitiveness of the enterprise, the manufacturer considers it as its competitor, and the most important is the ratio of price and quality of products, compliance with various norms and standards. The industry is assessed by the manufacturer in terms of competitive conditions in the industry and its position in the market. The producer evaluates the country in terms of the availability of the necessary resources, their quality and availability (physical and economic). Increasing the efficiency of agriculture largely determines the solution of the food problem and improving the welfare of the population of Ukraine.

The functioning of production in market conditions requires effective mechanisms of economic regulation. To assess economic efficiency, a system of indicators is used, which is due to its specificity, versatility and depends on a number of factors: natural, industrial, technological and economic.

The criterion for the effectiveness of any component of the agro-industrial complex is the maximum satisfaction of the needs of the population with quality products, and industry – agricultural raw materials to load production capacity based on cost reduction and material and financial resources [6, p. 68]. In the post-reform period, the organizational and economic mechanism and its factors are aimed at obtaining more profit and increase the profitability of advanced capital.

The essence of the criterion of economic efficiency is associated with its content, form, purpose and functions. In the process of production, the needs of people are met, and added value is created, which is used to reproduce and further develop the productive forces. In order to increase the production volumes with the corresponding demand, the mass of profit increases at the same time, as a source of capital accumulation for the development of productive forces [8, p. 81–82].

The introduction of a single efficiency criterion would greatly simplify the assessment of economic performance of production entities, but it is too difficult to develop such a criterion, as it must take into account not only economic but also environmental and social aspects. With the help of the system of indicators it is possible to carry out a comprehensive analysis of the economic activity of the sugar beet subcomplex, to identify unused capacity and to justify ways to increase production efficiency. The system of indicators should characterize: the use of production resources; basic economic processes; final results of activity.

The efficiency of agricultural production affects the level of prices for food and goods made from agricultural raw materials, and is characterized by: the ratio of gross output, net income and profit to the size of land. Improving production efficiency contributes to increasing incomes and increasing the profitability of agricultural enterprises.

Parameters of product competitiveness can be divided into economic, technical and regulatory (Figure 5).

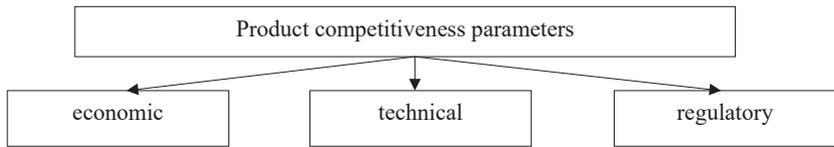


Figure 5. Product competitiveness parameters

Source: [14]

Technical and regulatory parameters together characterize the quality of the product, its environmental friendliness and safety.

Technical parameters determine the technical and physical characteristics of products during consumption or operation. Among the technical parameters are ergonomic, aesthetic and purpose parameters. Ergonomic properties of the product characterize the degree of convenience of its consumption or use by man in various aspects (physical, psychological, anthropometric). Aesthetic parameters characterize the originality of product design (shape, composition, appearance). Destination parameters reflect the direction of use of the product and describe the functions it performs. They reflect the beneficial effect of consumption or operation of products in specific conditions.

Economic parameters take into account the economic costs associated with production, consumption, destruction of products. One-time costs include product prices, transportation costs, setup and trial run. Current costs are the cost of consumption of products, which includes maintenance costs, energy sources, auxiliary materials, repairs, spare parts and more.

Regulatory parameters include parameters of safety, patent purity and environmental friendliness. The parameters of safety and environmental friendliness reflect the requirements for products in accordance with

Chapter «Economic sciences»

current national and international standards, laws and regulations, technical regulations, the results of product certification [1, p. 103].

Competitiveness indicators are a set of criteria for quantifying the level of product competitiveness, based on the parameters of competitiveness [24, p. 101].

Table 2

Characteristics of competitiveness indicators

Indicator Competitiveness	Characteristics
1. Criterion of efficiency of production activity of the enterprise (EV)	
1.1 Cost Level (CO)	Displays cost effectiveness in production
1.2 Return on assets (F)	Characterizes the efficiency of the use of fixed assets
1.3 Profitability of goods (RT)	Characterizes the degree of profitability of goods
1.4 Labor productivity (PP)	Reflects the degree of organization of production and use of labor
2. Criterion of financial condition of the enterprise (FS)	
2.1 Coefficient of autonomy (KA)	Characterizes the independence of the enterprise from external sources of financing
2.2 Coefficient of coverage (CP)	Reflects the company's ability to meet its financial obligations and determines the probability of bankruptcy
2.3 Absolute liquidity ratio (CL)	Shows the qualitative composition of funds that are sources of current liabilities
2.4 Turnover ratio of current assets (CO)	Characterizes the rate of turnover of all current assets and allows you to analyze the possibility of releasing them from economic activity
3. Criteria for the effectiveness of sales organization (EU)	
3.1 Profitability of sales (RP)	Characterizes the degree of profitability of the enterprise in the market, the correctness of pricing
3.2 Finished goods overload ratio (CU)	Displays the degree of finished product overload. An increase in the indicator indicates a drop in demand
3.3 Capacity utilization factor (KV)	Shows the business activity of the enterprise, the efficiency of the sales service
3.4 Advertising efficiency ratio (AD)	Shows the cost-effectiveness of advertising and sales promotion

Source: [9]

These indicators are important in the comprehensive assessment of product characteristics and determining its level of competitiveness. Proper evaluation of the product reduces the risks associated with the company's activities in a new market, but in the meantime, inconsistencies with the actual characteristics of the product may cause a decrease in the efficiency of the company. The indicator of product competitiveness should take into account as many factors as possible and objectively determine their impact on the competitiveness of goods [23, p. 40].

6. The concept of organizational and economic mechanism for managing the competitiveness of enterprises

Competitiveness is a system of indicators that allows you to assess the position of the enterprise, namely: competitiveness of products, technology, equipment potential, staff level, management system, level of innovation, communications, level of marketing policy, export-import opportunities and other parameters [5].

This mechanism is a specific multifunctional system consisting of a set of interconnected elements, among which the categories of level management and competitiveness system are distinguished (Figure 6).

The system of these indicators must be constantly improved in order to adapt the company to various unforeseen situations in the future. Entering the market with a competitive product is only the initial, initial stage in the work of the enterprise to develop in the consumer market, then complex, systematic work on managing the competitiveness of the enterprise. Therefore, special attention should be paid to the development of organizational and economic mechanism, which would not only create favorable conditions for efficient operation, but also provide it with a high level as a competitive enterprise [7].

Assessment of product competitiveness can be carried out by various methods. The choice of a specific method of assessing competitiveness depends on a number of factors (product specificity, urgency of determining the level of competitiveness, the amount of available reliable information, etc.). To date, we can distinguish the following methods:

- 1) depending on the nomenclature of criteria: direct and indirect;
- 2) depending on the purpose and stage of evaluation: methods used at the stage of manufacturing and used at the stage of selling products;

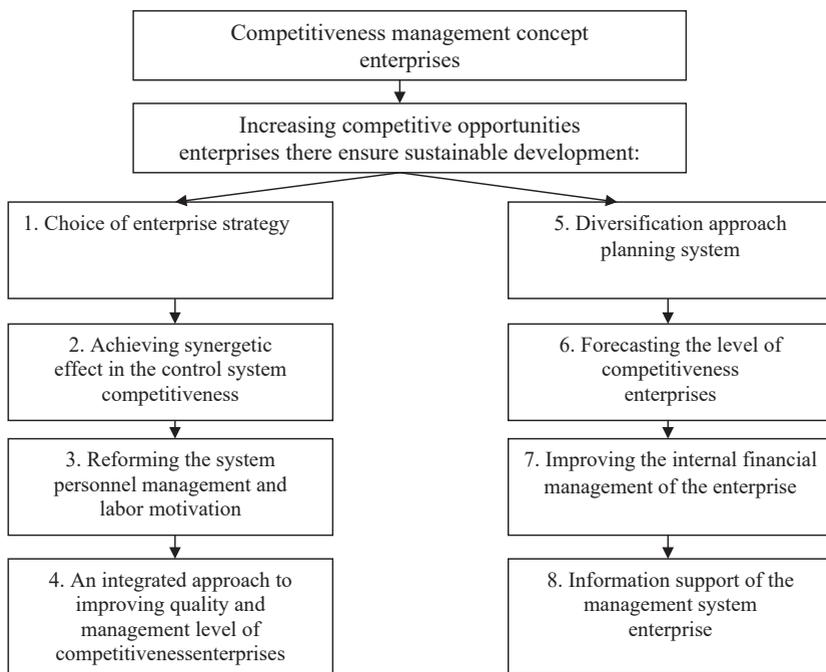


Figure 6. The concept of organizational and economic mechanism for managing the competitiveness of enterprises

Source: improved by the author based on [20]

3) depending on the form of data presentation: calculation, matrix, graphical, combined;

4) depending on the comparison of product properties: qualimetric;

5) depending on the comparison with the sample to determine the relative level of quality: differentiated, complex, mixed.

The competitiveness of products is influenced by price and non-price factors. The first group includes product quality, costs of production, sales and consumption, selling prices, external information. Non-price factors include time and internal information, the costs of which are already included in the costs of the enterprise. The leading role is played by the factors of the economic mechanism, among which are pricing, financing,

lending, stimulating public demand for products, exports and more. One of the main factors for increasing the competitiveness of products are the factors of the state level of government, as they determine the level of consumer welfare and demand, the development strategy of the enterprise, the region and the country as a whole.

Among the listed factors of competitiveness of production the following are of great importance: usefulness for the consumer (conformity to the requirements put forward to the given goods by the buyer); product price; novelty (originality and uniqueness of products); production quality.

The use of the latest technologies, including resource-saving, modern machinery and equipment, materials, high-quality raw materials are among the factors of product competitiveness. An equally important stage in the company's activities is the development of programs to increase competitiveness.

Among the main ways to increase competitiveness are the following: a detailed study of consumer needs and analysis of major competitors; correctly and qualitatively substantiated advertising policy of the company; creation of a novelty product and increase of its qualitative characteristics; search and provision of competitive advantages of goods in comparison with substitute goods; identifying the advantages and disadvantages of similar products, and the use of the results obtained in the company's activities; updating of machines and equipment; constant control over the reduction of the cost of goods; improving the quality of service and maintenance; differentiation of manufactured goods; strengthening the impact on consumers of goods to ensure competitive advantage, etc. [12].

The concept of enterprise competitiveness management [3, p. 41]:

1. Choice of enterprise strategy. This will create competitive advantages (in particular, the advantage in reducing costs, product differentiation, market segmentation, innovation, rapid response to market needs).

2. Achieving a synergistic effect in the competitiveness management system. This concept requires a radical restructuring of the organizational structure of management; creation of productive centers of profit and responsibility for the results of activities; introduction of an integrated approach to the reorganization of the system and structure of the internal environment of the enterprise; improving organizational forms and methods of marketing research.

3. Reforming the personnel management system and work motivation. The concept is based on the development of an effective system of recognition of labor merits, the introduction of methods of incentives and remuneration, improving the mechanism of motivation and responsibility for competitiveness; reorganization of the system of training and retraining taking into account the requirements of strategic management; ensuring employee participation in management decisions.

4. An integrated approach to improving the quality of management of the level of competitiveness of the enterprise involves: the introduction of advanced technological processes; development of an effective strategy of foreign economic activity, technical re-equipment and modernization of production, development and implementation of a comprehensive quality management system; intensification of investment and innovation activities.

5. Diversification approach planning system. The concept provides the use of long-term business planning as a tool for creating long-term competitive advantages; formation of long-term and annual cost budgets; improvement of methods of planning and analysis of production costs; development of organizational and economic measures for the implementation of long-term, current and operational plans.

6. Forecasting the level of competitiveness of the enterprise using modern methods (method of preferences, “profile method”, matrix method and method of integrated evaluation).

7. Improving the internal financial management of the enterprise.

8. Information support of the enterprise management system, ie the creation of a single integrated system of planning, rationing and cost accounting; technical support of the information system of internal management of the enterprise.

Assessment of the competitiveness of goods – a set of operations to choose the criteria of competitiveness, establishing the true values of these indicators for competing products and comparing the values of the analyzed goods with the goods accepted as basic (Figure 7).

1. Methods of assessing the competitiveness of goods through their rating – the implementation of a comprehensive assessment of quality based on technical parameters of products.

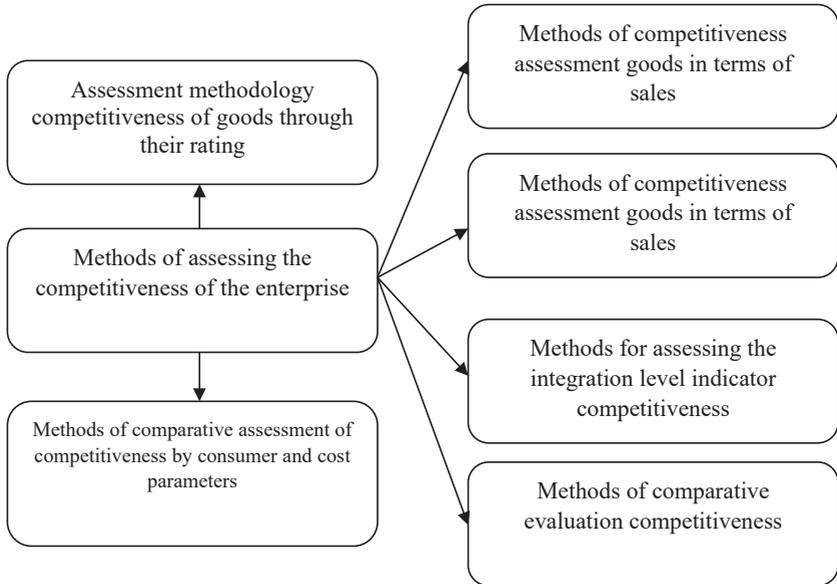


Figure 7. Methods of assessing the competitiveness of the enterprise

Source: [3]

2. Methodology for assessing the competitiveness of goods in terms of sales – the methodology is based on indirect measurement of competitiveness in terms of sales.

3. Methods of determining a comprehensive indicator of competitiveness – product compliance with standards and norms in comparison with the products of competitors.

4. The method of assessing the integration indicator of the level of competitiveness is a relative indicator that reflects the difference between the analyzed products from the competitor’s products in terms of the degree of satisfaction of a specific social need.

5. Methods of comparative assessment of competitiveness – comparison with products by the standard of competitors.

6. The method of comparative assessment of competitiveness in terms of consumer and cost parameters is a comparative characteristic of consumer and quality properties of products [4].

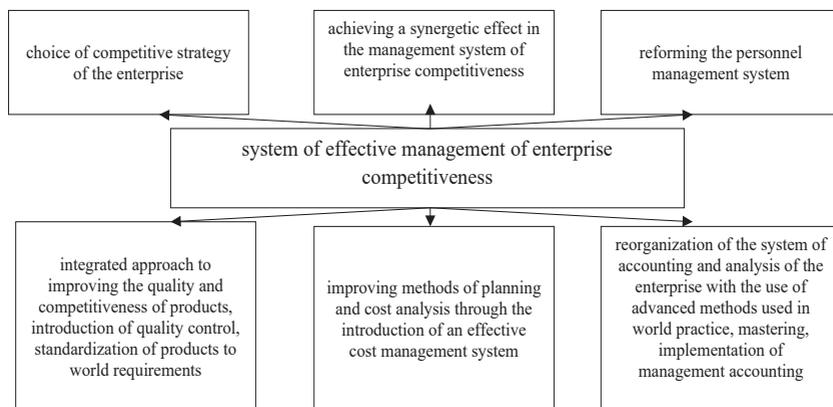


Figure 8. The system of effective management of enterprise competitiveness

Source: [7, p. 36]

The list of indicators, their purpose, positive trends and calculation method are presented in table 2.

Thus, solving complex problems of strengthening the competitiveness of an enterprise operating in a globalized market, offers a complex organizational and economic system of its management. The described system consists of eight interconnected blocks, which include a set of actions and measures to increase the competitiveness of the enterprise in all aspects of its activities. Competitiveness parameters – in the vast majority of quantitative characteristics of the properties of the product, taking into account the industry characteristics of assessing its competitiveness.

Competitiveness indicators are a set of criteria for quantifying the level of product competitiveness based on relevant parameters.

The main ways to increase competitiveness include the following: properly and well-founded marketing policy of the firm; creation of a new product and improving its quality characteristics; search and provision of advantages of goods in comparison with substitute goods; identifying the advantages and disadvantages of similar products, and the use of the results; updating of machines and equipment; constant control over the reduction

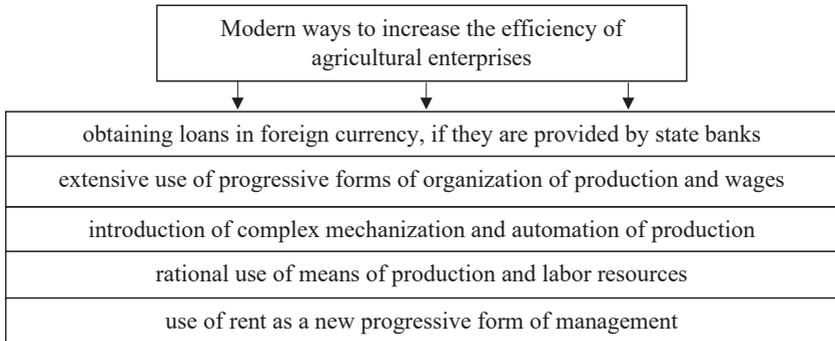


Figure 9. Modern ways to increase the efficiency of agricultural enterprises

Source: created by the author based on [20]

of the cost of goods; improving the quality of service and maintenance; differentiation of goods.

Ways to increase the efficiency of agricultural enterprises. It should be noted that the achievement of a certain level of success of the enterprise is inextricably linked with the acquisition of the enterprise signs of competitiveness.

7. Conclusions

Improving the efficiency of enterprises is to ensure the maximum possible result for each unit of labor, material and financial resources. The main directions are to provide enterprises with the latest technologies, improve management, organization of production and labor, resource efficiency and more. Only the correct use of the system of these factors can ensure a high rate of growth of production efficiency.

Since the effectiveness of any modern organization is determined by the number, form, meaning and content of its elements, the place they occupy in this type of economic systems, as well as existing relationships between them, competitiveness assessment plays an important role in determining the level and prospects. It is necessary to determine the most rational way to build feedback in the organizational and economic mechanism of managing the competitiveness of agro-industrial enterprise for its effective functioning and development.

To form a rational economic environment in agriculture, increase the competitiveness of agricultural formations it is necessary to: improve the pricing system in intersectoral relations between production, procurement and processing of agricultural products through the use of the concept of production price calculated on the basis of profit taking into account the turnover of working capital in order to ensure the reimbursement of regulatory costs, as well as equal income per unit of resources.

In order to increase the competitiveness of production in the agro-industrial complex, it is necessary to introduce a mechanism of state support for agricultural production through the use of preferential taxation and credit, price regulation of parity development, production subsidies, stimulating innovation and more.

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