Competitiveness of production as a determining factor of effective management of the enterprise in market conditions

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Production management is the main meaning of enterprise in production and management. Good production management can improve the efficiency of companies working, effectively manage the information of production process, and improve the overall competitiveness of enterprises. The production competition is the one of main task of the enterprise and the reason for it to survive in the fierce market economy competition. An enterprise that stands out from the market is recognized by the public and accepted by consumers, relying not only on the brand shaping of the enterprise, but also on the competitiveness of the enterprise's product production. To provide high-quality products and sufficient inventory for consumers and society has become an important factor for enterprises to base themselves on the market.

The main aim of this article is to attract the attention of enterprise managers in the market and determine factors of effective management of the enterprise. Also in our research, we discuss competitiveness of production as a determining factor of effective management of the enterprise in market conditions. There are many factors that affect enterprises to gain competitive advantage. They are summarized as follows: production management cost, quality, flexibility, time, service and environmental protection. We discuss the characteristics of enterprise from the two aspects of the production and operation of the output factors management and the environmental element management: how to improve the production and operation management so as to improve the competitiveness of the enterprise. The thought method of the advanced production and operation management, the enterprises constantly inspect and improve the defects existing in the production and operation system in order to provide the market with a low price in time. High quality and diverse products or services, occupying a larger market share.

The managers of the enterprise attach importance to the production competition, which is the first step in the operation of the enterprise, which will help the enterprise to stand in the invincible position. The prospects for further research in this area are related to increase the competitiveness and efficiency of enterprise management by introducing a set of measures to improve product quality.

Key words: competitiveness of production; market conditions; production management, effective management; enterprise; competitive advantage.

Formulation of the problem. As the globalization of the world deepens day by day, the market competition between enterprises becomes more and more fierce. In the market environment, how to obtain the sustainable competitive advantage and expand the market share has become more and more concerned by the enterprise managers. Generally speaking, the competitiveness of companies is considered to be that they can produce homogeneous products with lower costs than their competitors. At the same cost to produce better quality, more performance, and better service products. So that the enterprise can occupy a large market share with the lowest production cost, thus realizing the profit and development of the company.

The products competitiveness is often a complex, material-intensive and knowledge-intensive phenomenon. It is not always easy to sell products in the market conditions for the reason that it is
necessary to reach a balance between the producer’s costs and value of products and meet customer’s needs. However, only in this case, the producers will win a competition. Competitiveness of production as a determining factor of effective management of the enterprise in market conditions is relevant problem today for any country and any enterprise.

Economic processes over time is a dynamic character that determines in a highly competitive enterprise to adapt to the rapidly changing conditions of the external and internal environment. Under these circumstances, wins the company that faster than others adjusting to the realities of the time and adapts to new economic conditions. The adaptation of enterprises to market conditions quite often depends on the effectiveness of the existing control system, the ability of team managers to form and implement a system of short- and long-term goals.

As the study of activities of Ukrainian enterprises, most of them were unable, and not to study the market, to produce products that meet the needs of this market and, consequently, was unprepared for the fierce competitive struggle. Thus, according to statistical research, a significant part of the enterprises of Ukraine, did not survive competition.

The aim of the study. The main aim of this paper is to attract the attention of enterprise managers in the market: not only put competition on sales, but also to start with the first step of production. Also in our research, we discuss competitiveness of production as a determining factor of effective management of the enterprise in market conditions. In the past 20 or 30 years, the scale of production and management of modern enterprises has been continuously expanded, the technology and knowledge density of the products themselves have been continuously increased, the production process and service operation process of the products have become increasingly complex, the market needs have become increasingly diversified, and there have been many changes. Increasingly fierce competition in the world, these factors make the production and operation management itself is constantly changing. In addition, since the 1990s, the rapid development of information technology and network technology has brought enormous business opportunities to enterprises, and also brought great challenges to enterprise management. In order to survive and develop, enterprises must strengthen the management function of production and operation.

Analysis of recent research and publications. Scientists always pay great attention to the competitiveness of production in market conditions. Some problematic aspects of competitiveness management system were studied by national and foreign scientists. In the process of studying the essence of competitiveness different scientists studied its various aspects. The research on sources of competitive advantages in the form of dynamic organizational capabilities studies was carried out by such scientists as K. Eisenhardt (1989) and others. Problems of products quality in the process of enterprise competitiveness formation was studied by Ball V.E. (2010) Ketels C. (2012), Mullen J. (2013) and other foreign and domestic scientists [1, 3, 5, 10].

From the development process of world economy, the focus of enterprise competition changes with the change of market environment. With the renewal and development of technology, the competition of production is not only reflected in the cost and output, but also in the price, quality, flexibility and time of the product. Now, it is not only the demand of consumers in the market, but also the impact of economic globalization that affect the production competition of enterprises. The concept of global village has greatly affected the original producing countries. The original famous made in China, gradually replaced by India. On the one hand, this is due to the gradual emergence of China on the world stage and the enhancement of national strength; on the one hand, it is because of the improvement of China’s demands on the quality of the people, more and more people have been highly educated, and the original simple work of work has been abandoned.

Material and methods of research. Research competition problems and competitiveness of production as a determining factor of effective management of the enterprise in market conditions, theoretical and methodical bases of competitiveness level of enterprise are considered in the works of various scholars. Authors do not answer the question, which of the proposed definitions best fit the used notions of competitiveness.

Main results of the study. In 1980, Michael Porter [2], an American scholar known as the father of competitive strategy, proposed in his book “Competitive Strategy” that Porter provided three effective competitive strategies for business people. They are the total cost leadership strategy, differentiation strategy and specialization strategy. Porter competitive strategy is a kind of enterprise strategy. It refers to the long-term behavior of attacking or defending in the competition of the same use value. Enterprise managers must gradually adjust the overall operation of the enterprise in order to compete. First of all, it starts from production management, and the competition of most enterprises is not only talent, but also production competition.
Talking about the factors that affect the competitiveness of enterprises, both economists and business managers pay more attention to the business strategy and participate in the market competition with all the unique resources (talent, technology, capital, etc.) of the enterprise. Few business managers start as a focus from the very beginning of a company's operations-production. In fact, the enterprise participates in the market competition is a whole, and the marketing activity or the enterprise operation all include the strategy which the enterprise should deal with the competitor. If you can provide low-cost, high-quality, flexible products to the target market, you win the competitive starting line from the first step. The present market competition has changed enormously with the change of the market environment: once "the wine fragrance is not afraid of the lane deep" has become "the wine fragrance also fears the alley deep". But whether the alley is deep is the second, the first thing to bear the brunt is to do high-quality and high-cost products. Now many producers of products ignore the issue of production competition, just thinking about how to make better advertising. If you get more visibility, you don't know where the gold will glow. Therefore, the production competition must be the decisive position of the enterprise in the market competition environment.

At the same time, production and operation activities are the most expensive part of the enterprise. According to statistics from some western managers, the cost of an organization's production and operations is 70 % to 80 % of its total cost. Because enterprises have to spend a lot of manpower, material and financial resources to study how to produce the highest quality products, and at the same time to reduce the production costs as much as possible. When the enterprise wants to improve the production efficiency and reduce the cost, production is bound to be the most concerned stage for the managers of the enterprise. Therefore, the competition between enterprises must finally be reflected in the products and services provided by enterprises, and the competitiveness of products and services depends to a great extent on the efficiency of enterprise production and operation management. Improving production operation management is the best way to enhance enterprises' participation in production competition in the market.

Competitiveness of production as a determining factor of effective management of the enterprise in market conditions. Therefore, enterprises can pay attention to and the final results from the production and operation strategy. Production operation strategy is to decide how to achieve the overall operation goal of the enterprise through the operation activities under the overall framework of the enterprise operation strategy. Based on the analysis of various resource elements and internal and external environment of the enterprise, it analyzes and judges the basic problems related to operation management and operation system, and determines the general guiding ideology and a series of decision-making principles. The production and operation policy mainly includes three aspects: the overall strategy of the production operation, the choice of the product or service, the design and development of the production operation system, and the design of the production operation system.

There are many factors that affect enterprises to gain competitive advantage. They are summarized as follows: production management cost, quality, flexibility, time, service and environmental protection, which are paid more and more attention:

I. Production management cost. One of the most important elements of the enterprise's competitive advantage is that the enterprise can gain lower production management costs in all production management activities than in the same industry. The low-cost strategy is also a production and operation strategy to be pursued by the enterprise, because the price is the most influencing factor of the customer's purchase desire, it is clear that the customer will be more willing to choose a lower price product or service under the same quality and function. If the cost of production and operation of an enterprise is lower, the more competitive the enterprise is in price.

II. Product quality. The quality of the product includes the function, durability, reliability, appearance modeling, qualified rate of the product, etc. The quality of the product reflects the degree to which the product meets the needs of the customer. Quality competitiveness is manifested in two aspects: one is to maintain a high level of product quality; the other is to provide better products or services. The quality advantage comes from the guarantee ability of the production and operation system, that is, the production and operation system can control the quality of the product from the aspects of process, technology and operation process to meet the required standard, and ensure the stability of the quality. In addition, product process quality is also critical because it is closely related to the reliability of the product. The goal of process quality is to produce non-defective products, which can be used to solve the quality problems of products in a preventive manner. The analysis from the value chain is to try to reduce the rate of substandard products as little as possible.
and improve the qualified rate of the production process in the process of putting resources into production as little as possible.

III. Production flexibility. Flexibility of production capacity is the ability of an enterprise to rapidly improve or reduce production level, or rapidly transfer production capacity from one product (service) to another product (service). The realization of this kind of flexibility mainly depends on the realization of flexible measures such as flexible factory, flexible production process, flexible employees and so on. From the strategic point of view, flexibility is composed of two aspects which are directly related to the design of enterprise operation process. First, the ability of enterprises to provide a variety of products and services for customers, maximum flexibility means the ability to provide customer-oriented products and services to meet the unique needs of customers, this ability to provide unique needs to customers. It is a kind of special competitive ability of an enterprise, is a kind of manufacturing ability which is different from other enterprises. In the era of modern customers pursuing individuation more and more, this kind of ability that can satisfy the unique needs of customers is paid more and more attention to by enterprises. It has become an enterprise to gain competitive advantage, to realize the strong driving force of enterprise growth, enterprises can be obtained through their own enterprise's production mode reengineering, through the combination of a large number of stakeholders to participate in the production and manufacturing process of the enterprise. To quickly meet the unique needs of customers. Second, the ability of fast conversion process to produce new products or the ability of fast transformation of service process to provide services. Due to the quickening of product renewal and the shortening of life cycle, flexibility in this respect becomes more and more important.

IV. Time. As a competitive factor, time is embodied in fast delivery, reliability of delivery and speed of development of new products. Customer's time requirements for delivery of products or services, including the ability to deliver goods by express or on time.

V. Service. Service is also an element of the enterprise's competitive advantage. In today's enterprise environment, in order to gain a competitive advantage, enterprises need not only provide customers with high-quality products, fast-friendlly purchasing environment and delivery speed and reliability, but also start to provide customers with additional "value-added" services. These "value-added" services require the enterprise to pay more attention to the product's additional and additional functions in the production and design of the product, and can meet the needs of the consumers, and also need to track the products after sales. It is important to ensure that the customer is always satisfied with the use of the product of the enterprise, and further the customer's loyalty.
to the enterprise, which is important to the enterprises that provide the product or the service.

We evolved internal factors of influence on production competitiveness: innovation activity; production quality; labour costs; other costs; workers’ qualifications; customer care; access to financial resources; business brand and external factors of influence on production competitiveness: competitors’ fight; bargaining power of customers; bargaining power of suppliers; interest in employment; corruption; support by national authorities; support by local authorities; development in the marketplace [9].

Along with the competitiveness of products, it is legitimate to talk about the competitiveness of an enterprise, which is formed under the influence of external and internal factors.

The competition of enterprises in the market occurs in the form of competition of their goods, therefore the most important factor of the enterprise’s competitiveness is its production and scientific potential, which is characterized by the following indicators:

• the ability to develop and master the production of new products in the shortest possible time, the rapid implementation of technological and organizational innovations, experience with modern technology;
• an industrial and technical system that ensures low production costs, high quality of products, increased productivity and proper use of fixed capital;
• the organization of production and management system, corresponding to the characteristics of the material and technical base of the enterprise, and the ability to respond quickly to changes in market conditions determined by competition;
• rationally organized marketing activities, flexible and qualified system of sales and customer service, developed and efficient distribution network;
• a skilled workforce and the ability to replenish it, with management personnel capable of managing enterprises in a competitive environment;
• access to capital and a sustainable financial system [4].

The most common causes of the unstable situation of enterprises on the market, that will have influence for competitiveness in our opinion, should be considered: the lack of diagnostic purposes and intents of the closest competitors; low responsiveness to consumer needs; errors in determining development priorities; intense competition in the industry; one-sidedness in the implementation of the commodity policy of the enterprise; the lack of opportunities for price competition; financial instability of the enterprises; the absence of long-term planning; the use of outdated systems and methods of enterprise management; the use of outdated equipment and technology; the use of ineffective methods of marketing and promotion.

Consider indicator of Competitiveness - World Economic Forum index in Ukraine and China [9]. The World Economic Forum provides data for Ukraine from 2006 to 2017. The average value for Ukraine during that period was 4.04 points with a minimum of 3.9 points in 2010 and a maximum of 4.14 points in 2012.

Fig.2. Ukraine: Competitiveness - World Economic Forum index. 
The World Economic Forum provides data for China from 2006 to 2017. The average value for China during that period was 4.81 points with a minimum of 4.55 points in 2006 and a maximum of 5 points in 2017.

Analyze fig. 2 and fig. 3 we can assume, that production at China more competitiveness than in Ukraine.

The key factors of market success include: the financial situation of the enterprise, the development of the base for its own research works, and the level of expenditure on the; the availability of advanced technology, the provision of highly skilled personnel, the ability of production (and price) maneuvering, the availability of a sales networking and experienced marketing personnel, the state of technical service, the opportunities to credit their exports (including the help of state organizations), the effectiveness of advertisement and public relations system, security information, the creditworthiness of the major buyers. Factors can affect both towards improving the competitiveness of enterprises and downwards. Factors promote the conversion of opportunities into reality. Factors determine the means and ways of using reserves of competitiveness.

The competitiveness of the national economy provides companies that produce goods and services, and companies, in turn, must seek the main competitive advantages such as the minimization of costs and product differentiation. Prosperity firms in competition in the world market depend on the following factors: the economic, political, institutional, human, cultural and educational [3].

Today, due to the increasingly fierce competition among enterprises, the scale of enterprises is becoming larger and larger, and the management is becoming more and more complex, so enterprises need to consider more and more how to produce products suitable for consumers and how to arrange production rationally [5]. How to find out their competitive power from their competitive advantage, in order to minimize their production costs, so as to better compete with others.

Therefore, in the production and operation strategy of modern enterprises, it is very important to analyze those factors that make up the competitive advantage of enterprises, and find out the competitive advantages of enterprises themselves on this basis. At the same level of quality, the important performance of the difference of competitive advantage among enterprises is in time. According to the relevant data, the role of high quality and high competence in international competition is gradually decreasing. Instead, the up trend is the competitiveness of just-in-time or express delivery. In some functional markets, the speed of enterprise delivery is the first condition of competition. At the same time, with the increase of delivery speed, it also puts forward higher requirements for the reliability of delivery. Customers not only need faster delivery speed, at the same time, more attention is paid to the reliability of delivery. In modern enterprises, the reliability of delivery can

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Fig. 3. China: Competitiveness - World Economic Forum index.
effectively reduce the cost of inventory, establish a good reputation for delivery, improve the speed of delivery and reliability. Can make the enterprise in the absence of inventory conditions can also be rapid changes in market demand, production or provision of adaptive products and services.

In the case of the development of the present enterprise, the main reason why the production competition is not paid attention lies in the neglect of the enterprise management. We can see all kinds of beautiful and attractive ads in various websites and TV programs, and understand the latest products of the enterprise, but it's not a part of the products that are not expected by the consumers. And now, many enterprises have invested a lot of resources on the expansion of marketing channels, and it is common to ignore the production competition. This is a bit of an upside down, because the product is the guarantee that the enterprise stands in the market in the market, the marketing is only auxiliary. It's the top priority to win in the start-up line of production. Therefore, the management of the enterprise can be considered in many ways in the development of the production and operation strategy.

To do well in the management of production and operation, we should first understand the three basic problems of production and operation management. First, output factor management: quality, delivery time, cost and service. Second, resource element management: facility equipment management, material management, personnel management and information management. Third, environmental element management. Then, it is necessary to be familiar with the characteristics of the enterprise and to determine the characteristics of production management. So that the theory and the actual contact can be achieved. In this regard, we will discuss the characteristics of enterprise from the two aspects of the production and operation of the output factors management and the environmental element management: how to improve the production and operation management so as to improve the competitiveness of the enterprise [6].

1) Improving the production efficiency of Multi-varieties and less batch.

Although the user type is small, the product variety is many, and some products are produced according to the user's temporary requirements, the variety of the product variety has brought a series of problems to the production and management of our enterprise. This has led to a significant increase in design work, process work, feeding, collaboration tasks, inventory, procurement activities, management and personnel, with the result that production time-consuming increases (sometimes affecting delivery time), long-term costs, reduced quality and productivity, reduced profits, and even losses. Therefore, the problem of the production efficiency is solved, and the competitiveness of our enterprises is important. But the reason for the diversification of the product comes from the market, and we can only adapt it. For business, the ability to improve efficiency and to adapt to it is to improve the ability to process changes in production, that is, to improve the flexibility of the production system. The specific measures are as follows:

1.1. When a production line or production area is established, equipment and workers of exactly the same or similar processes shall be placed in a factory or area, small as our electrolytic paper workshop, in accordance with the principle of process specialization. It's as big as industrial park.

1.2. Ensuring the continuity, timeliness and continuity of the production process can shorten the production cycle of the product, reduce the inventory of products in production, accelerate the flow of funds and improve the utilization rate of funds, in addition to having the advantages of continuity. It is also a prerequisite to ensure customer satisfaction. Only if all processes are produced on time can the customer be provided with the required quantity of products on time.

2) Attach importance to production Competition and draw up Scientific and reasonable Operation Strategy.

A scientific and reasonable operation strategy must consider the unique ability of the enterprise itself. A scientific and reasonable operation strategy needs to take into account all kinds of factors inside and outside the enterprise. Internal and external factor analysis is a reflection of events or trends that pose threats and opportunities to the organization. The formulation of operational strategy mainly considers several aspects: external factors (market demand and change, technological progress, supply market) and internal factors. Mainly refers to the product characteristics of their own resources (people, wealth, things, etc.) and so on. If the enterprise produces the ordinary functional product, the enterprise will often design the operation strategy of the mass production, and if the enterprise produces the fashionable and innovative product, the enterprise will often design the flexible operation strategy. The operation strategy must have the perfect support system. The support of the operation system to the operation strategy. On the one hand, it is necessary to implement the operation strategy to the production system requirements, on the other hand, to support the operation strategy implementation of the production system design. The support of enterprise personnel to the operation strategy. Leaders should pay
enough attention to the implementation of the operation strategy, and have a deep understanding of its profound significance. The general staff of the enterprise should know enough about the role of the operation strategy.

3) Match between Operation Strategy and Enterprise Strategy.

As with general strategy formulation, the formulation of operational strategy also needs to take into account all kinds of influence factors. However, in formulating the operation strategy, we should first of all realize that as a functional operation strategy, ultimately it is in order to support the smooth implementation of the enterprise strategy, because the success of the production operation strategy depends mainly on whether it supports the enterprise strategy or not. Whether or not consistent with corporate strategy. If you choose the lowest total cost strategy as the manager of the enterprise, then all your production activities should be on the basis of quality assurance, as far as possible to reduce the total cost of production. If you choose a differentiation strategy, then you should focus on the difference and uniqueness of the production of products and services, rather than the pursuit of low-cost, should find a balance between the two. If you choose a specialization strategy, you should have the craftsmanship-focus on a product and serve a consumer community.

After determining the production competition strategy and formulating the production and operation strategy, the enterprise should review and summarize the results of the implementation strategy regularly, and determine whether it is necessary to continue to improve and perfect the strategy. The traditional strategic planning is formulated by marketing department, finance department and management headquarters, and then introduced into operation to implement these plans. As a result, the operation department of the enterprise cannot help the enterprise to gain competitiveness.

Conclusions and policy recommendations.

The construction of the competitive advantage of the enterprise has many ways, the production and operation, as the basic work of the enterprise, strengthens the management of the production and operation, establishes a scientific and reasonable operation strategy and implements the real enterprise to obtain the final competitive advantage, and obtains the fundamental way of the success of the market. The cost of the product and service is reduced, and the enterprise can organize production according to the order of the customer, the inventory is less and less, the delivery time is shorter and the enterprise's flexibility is better. Analyze indicator of Competitiveness - World Economic Forum index in Ukraine and China we can assume, that production at China more competitiveness than in Ukraine.

Only by constantly studying the thought and method of the advanced production and operation management, the enterprises constantly inspect and improve the defects existing in the production and operation system in order to provide the market with a low price in time. High quality and diverse products or services, occupying a larger market share. The managers of the enterprise attach importance to the production competition, which is the first step in the operation of the enterprise, which will help the enterprise to stand in the invincible position.

The prospects for further research in this area are related to increase the competitiveness and efficiency of enterprise management by introducing a set of measures to improve product quality.

REFERENCES

Конкурентоспроможність виробництва як основний чинник ефективного управління підприємством в ринкових умовах

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Управління виробництвом є основним завданням в діяльності підприємства. Вплив управління виробництвом може підвищувати ефективність роботи підприємства, ефективність управління інформацією щодо виробничого процесу і підвищувати загальну конкурентоспроможність підприємства. Виробнича конкуренція є головним рушієм підприємства, що дозволяє виживати в умовах жорсткої конкуренції на ринку. Підприємство, яке видаляється на ринку, визнається громадськістю і сприймается споживачами, покладаючись не тільки на формування бренду підприємства, а й на конкурентоспроможність виробництва продукції підприємства. Основна мета статті – привернути увагу керівників підприємств на ринку та визначити чинники ефективного управління підприємством, встановити, що конкурентоспроможність виробництва є визначальним чинником ефективного управління підприємством в ринкових умовах. Існує низька конкуренція, яка впливає на діяльність підприємства для отримання прибутку через переваги. Вони утворюються таким чином: витрати на управління виробництвом, якість, гнучкість, час, сервіс та охорона навколишнього середовища. Обговорюються особливості підприємства в двох аспектах виробництва та функціонування управління виробництвом: виробничими чинниками і управління елементами навколишнього середовища: як поліпшити управління виробництвом та експлуатацію, щоб підвищити конкурентоспроможність підприємства. Запропонований метод вдосконаленого управління виробництвом та операційним менеджментом підприємства постійно перенімається і вдосконалюється на наявні дефекти в системі, щоб забезпечити ринок низькою ціною. Висока якість та наявність різноманіття товарів чи послуг дадуть змогу займати більшу частку ринку. Керівники підприємств надають значення виробничій конкуренції, яка є першим кроком в роботі підприємства, що допомоге йому втримувати непереможні позиції. Перспективи подальших досліджень у цій галузі пов’язані з підвищенням конкурентоспроможності та ефективністю управління підприємством шляхом впровадження комплексу заходів щодо підвищення якості продукції.

Ключові слова: конкурентоспроможність виробництва, ринкові умови, управління виробництвом, ефективне управління, підприємство, конкурентна перевага.