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# INNOVATIVE IMPLEMENTATION OF STRATEGIC PRIORITIES OF COMPETITIVENESS MANAGEMENT IN INDUSTRIAL ENTERPRISES OF UKRAINE

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#### **Key words:**

strategic assessment, innovative development, competitiveness, industrial enterprises, management implementation, economic model The article examines the innovative implementation of strategic priorities of competitiveness management in industrial enterprises of Ukraine. The strategic assessment of the level of innovative development of industrial enterprises at the national level by the method of increasing the competitiveness rating is determined. For the purpose of innovative implementation of the management of the competitiveness of industrial enterprises, a national economic model of strategic management of increasing the rating of the competitiveness of industrial enterprises has been developed. In order to implement the strategic goals of the state, the development of a national innovative economic model for managing the competitiveness of industrial enterprises through the socialization of business has been substantiated and carried out. A strategic social-ecological-innovative model of the implementation of management of the competitiveness of industrial enterprises has been developed.

# ІННОВАЦІЙНА ІМПЛЕМЕНТАЦІЯ СТРАТЕГІЧНИХ ПРІОРИТЕТІВ УПРАВЛІННЯ КОНКУРЕНТОСПРОМОЖНІСТЮ ПРОМИСЛОВИХ ПІДПРИЄМСТВ УКРАЇНИ

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### Ключові слова:

стратегічна оцінка, інноваційний розвиток, конкурентоспроможність, промислові підприємства, впровадження менеджменту, економічна модель У статті розглянута інноваційна імплементація стратегічних пріоритетів управління конкурентоспроможністю у промислові підприємства України. Визначена стратегічна оцінка рівня інноваційного розвитку промислових підприємств на національному рівні методом підвищення рейтингу конкурентоспроможності. З метою інноваційної імплементації управління конкурентоспроможністю промислових підприємств розроблена національна економічна модель стратегічного управління підвищення рейтингу конкурентоспроможністю промислових підприємств. Задля реалізації стратегічних цілей держави обгрунтована і здійснена розробка національної інноваційної економічної моделі управління конкурентоспроможністю промислових підприємств через соціалізацію бізнесу. Розроблена стратегічна соціально-екологічно-інноваційна модель імплементації управління конкурентоспроможністю промислових підприємств.

# Statement of the problem

In March 2000, the Lisbon Strategy set an ambitious purpose for European countries to become the most competitive and dynamic economy [1], based on knowledge and capable of constant growth, while providing more of the best jobs [2].

The issue of building the competitiveness of Ukraine is increasingly being discussed in the mass media [3]. The dynamics of macroeconomic indicators over the last year show that the period of extensive development has exhausted itself [4]. At present, all the work of the state is concentrated on providing activities for social support of the population due to the low standard of living [5]. Tax increases and

reorientation of budget funds to social needs can improve the situation only for a short time, since it is impossible to divide and redistribute what is not there [6]. Therefore, the only way out of the difficult situation in the state is replenishment of the state budget by increasing the competitiveness of industrial enterprises on the world market [7].

# Analysis of recent research and publications

Issues of public administration, such as plans and projects of economic development were studied by such scientists as O.S. Vlasiuk, T.V. Deriuhina, I.V. Zapatrina and others, who studied the constituent elements of the formation of a new system of public administration based

on world-leading experience in the conditions of Ukraine's transition to sustainable economic development [1]. A thorough analysis of the global experience of state administration in reforming both individual sectors of the economy and implementing structural reforms aimed at ensuring accelerated economic growth at a qualitatively new technological level was conducted. The mechanisms used by various countries in the implementation of the tasks were considered. An overview of institutional and organizational instruments of international cooperation in the sphere of economy, finance, science, education, culture, as well as intellectual property issues was made. The assessment of the socio-economic situation in Ukraine and its regions based on ranking and rating methods accepted by international practice is scientifically substantiated [1–8].

# Objectives of the article

The purpose of the article is the theoretical and methodological justification and strategic assessment of the level of innovative development of industrial enterprises by the method of increasing the competitiveness rating.

To achieve the purpose, the main tasks were set and solved in the article:

- to develop a national innovative model of competitiveness of industrial enterprises;
- improve the experimental base of Ukrainian industrial enterprises;
- to overcome the gap between science and the production of industrial enterprises by combining them into a new type of innovative system;
- to implement the integration of science and education
   the sphere of industry, but without fundamentally
   breaking the existing system of their organization;
- to adapt the scientific and technological sphere to the conditions of the market economy.

#### The main material of the research

Considering the Ukrainian innovation system, the author of the article assumes that it is not about creating something fundamentally new, but about transforming an administrative-command type innovation system into a national market-type innovation system [9].

In this regard, two opposite views can be distinguished regarding the formation of the Ukrainian innovation system. The first point of view is that the lag in the economic and innovative development of industrial enterprises of Ukraine from developed industrial enterprises of developed countries during the years of reforms has become so significant that it can be considered final and irreversible. Therefore, it is possible to form an innovative system using the Japanese way - based on the predominant external borrowing of new knowledge and new technologies. The second point of view is that the industrial enterprises of Ukraine have large innovative resources and quite competitive intellectual potential, therefore they can form a national innovation system, which should be based mainly on the development and use of their own scientific and technological potential. The basis for such a conclusion is the presence in the country of strong fundamental science, qualified personnel, and a developed modern database [10].

Innovative activity is a complex systemic activity aimed at implementing the results of scientific research and development, which involves a set of actions related to the origin, creation, development and dissemination of innovations, the result of which are new products, services, technologies, forms of organization and management, that satisfy public needs and provide economic, social and other types of effect [11].

The question of building the competitiveness of industrial enterprises of Ukraine through the construction of a national innovation model in today's conditions is extremely urgent. The recent dynamics of macroeconomic indicators show that the period of extensive development of industrial enterprises has exhausted itself, and we must move on to intensive development of the economy. It is necessary to create a favorable climate for the development of business and entrepreneurship, orient the state policy to change the structure of production, transition to innovative development. These are the priorities set in this article, as this path can ensure a fundamentally different level of competitiveness of industrial enterprises on world markets, and therefore of all Ukraine as a whole [1].

The main goal of national innovation systems can be formulated as follows: ensuring sustainable economic development (that is, in the terminology of the UN, "a forward movement that meets the needs of the current generation without depriving future generations of this opportunity") [2]), achieving competitive advantages of the country and improving the quality life of the country's population. This is achieved by using:

- creation of additional jobs, both in the field of science and in the field of production and services;
- increase in state income due to growth in the production of science-intensive products and increase in income of the population;
  - raising the educational level of the population;
- solving own environmental and social problems by using the latest technologies [12].

In each specific case, the functioning of the national innovation system is determined by the macroeconomic policy pursued by the state, regulatory and legal support, forms of direct and indirect state regulation, the state of scientific, technological and industrial potential, internal product markets, labor markets, as well as historical and cultural traditions and features [13].

Objects with competitiveness can be divided into four groups: goods, enterprises (as a producer of goods), industry (as a set of enterprises offering goods or services) and regions (districts, regions, countries or their groups) [14]. Products can be very similar (both our company's products and those of our competitors), and we will be able to improve them. In this case, the product itself does not compete. The enterprise must acquire an image, a brand, a certain character. To increase competitiveness, it is necessary to position your enterprise, which has a certain goal and certain characteristics that we want to broadcast to society. If the branch of our enterprise is a priority for the state, then we can compete, if the branch is ordinary, without certain specifics, then, accordingly, the competitiveness of our enterprise will be much lower. It is necessary to take

into account how much development is going on, how important this industry is for the economy of Ukraine, how much we have competitors and this industry is open to our competitors. The level of solvency of the population of the region, the level of education, the level of certain social benefits, and the social health of the region is also of great importance. The region does not always determine our competitiveness. Sometimes we can influence the region and, accordingly, increase our competitiveness [15].

The consumer evaluates the competitiveness of the product from the point of view of his needs and the completeness of their satisfaction [16]. The competitiveness of the enterprise is evaluated from the point of view of the enterprise's position on the market [17]. The competitiveness of an enterprise is a complex comparative characteristic of an enterprise that reflects competitive advantages in a certain market for a certain period of time [18]. Competitiveness is always a comparison, a comparison of oneself with someone else [19]. That is, every month we check competitiveness, and we do not stop at what we have achieved, because we constantly have to carry out control. New competitors are constantly appearing on the market [20].

The competitiveness of the industry is assessed by the consumer from the point of view of prioritizing his own needs. Thus, we distinguish four types of entities that evaluate the competitiveness of certain objects: the state, consumers, investors, and producers. The state evaluates with a certain interest an enterprise, especially a very large one, which provides a large number of jobs. The state is interested in making large systems work. Therefore, competitiveness is a matter not only of one enterprise (especially a large one), but also of the entire state. If the enterprise produces a quality product, then consumers are not interested in the competitiveness of the enterprise, but if the enterprise produces something on the basis of which the product will be produced by another enterprise in the future, then it is important not to let down its client, who, in turn, will be able to produce his product, sell, and, satisfy their customers. Investors always want to understand to whom and for what they give money, and not just to a person, but to a company that has a high level of competitiveness. Manufacturers must guarantee the quality of a product that is competitive on the market.

In order to study the management of the competitiveness of industrial enterprises, the author of the article developed a national innovative model of the implementation of the management of the competitiveness of industrial enterprises, the purpose of which is to increase the competitiveness (Fig. 1).

In order to realize the strategic goals of the state, 2 factors are needed:

- 1) meeting the needs of society (jobs, high standard of living);
  - 2) production resources (industrial enterprises).

This led to the need to develop a national innovative model of implementation of the management of competitiveness of industrial enterprises, the consequence of which is an increase in competitiveness through the socialization of business (Fig. 2). Competitive industrial enterprises have responsibility before the state: a socially responsible enterprise (innovations benefit society) and an ecologically responsible enterprise (innovations benefit the external environment).



Fig. 1 – National innovative model of implementation of management of competitiveness of industrial enterprises (the purpose of which is the need to increase competitiveness)

Source: developed by the author based on [1–20]



Fig. 2 – The national innovative model of the implementation of the management of the competitiveness of industrial enterprises (the consequence of which is the increase of competitiveness through the socialization of business)

Source: developed by the author based on [1–20]

Since the industrial enterprise solves both social and environmental problems, the state goes to meet it, because the enterprise improves the social and economic condition of the region. Also, in turn, enterprises are interested in the implementation of state projects is the development of regions and certain industries in which these enterprises are involved.

The developed social-ecological-innovative model of the implementation of the management of the competitiveness of industrial enterprises (Fig. 3) has the following consequences:



Fig. 3 – Social-ecological-innovative model of implementation of management of competitiveness of industrial enterprises

Source: developed by the author based on [1–20]

- increasing the competitiveness of industrial enterprises on the world market will lead to replenishment of the state budget through fiscal policy;
- increasing the competitiveness of industrial enterprises in the domestic market will lead to an increase in the quality of the products of the national producer, and the withdrawal from the market of those

enterprises whose quality does not satisfy the conditions of the consumer;

- increasing the competitiveness of industrial enterprises in the domestic market will lead to a decrease in the price of finished products, which will thereby lead to a greater demand for this product, and, as a result, to the support of the national producer.

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