

UDC 338.24.009.12

DOI <https://doi.org/10.26661/2414-0287-2023-4-60-02>

ANALYSIS OF COMPETITIVENESS OF INDUSTRIAL ENTERPRISES IN UKRAINE: CHALLENGES AND PROSPECTS

Tkachenko S.M.

Zaporizhzhia National University
Ukraine, 69600, Zaporizhzhia, Zhukovsky str., 66
space7770@ukr.net
ORCID: 0000-0002-3798-5902

Key words:

analysis of competitiveness,
enterprise economy, environment,
ecological monitoring,
socio-economic marketing,
innovative development strategy

The article examines the analysis of the competitiveness of industrial enterprises of Ukraine, which is a complex process and requires a comprehensive approach and consideration of many factors that can affect the economic situation in Ukraine and its enterprises. The impact on the environment and the improvement of the image of industrial enterprises are determined. It was analyzed that reducing the impact on the environment contributes not only to the improvement of the image of the enterprise, but also of the owner. A system of internal and external control of environmental monitoring and performance evaluation is defined, which allows for active feedback from stakeholders and ensures the effectiveness of environmental practices. Developed recommendations for improving the image of an industrial enterprise based on the concept of innovative socio-economic and environmental marketing, which include a creative approach to strategic changes and improve the perception of the enterprise by society, which ensures more active participation in the development of society. Innovative approaches in marketing strategy have been developed. The internal control and improvement of the image, which allows to contribute not only to the stable functioning of the enterprise, but also to its competitiveness on the market of metallurgical products in order to realize the strategic goals of the state, has been analyzed.

АНАЛІЗ КОНКУРЕНТОСПРОМОЖНОСТІ ПРОМИСЛОВИХ ПІДПРИЄМСТВ УКРАЇНИ: ПРОБЛЕМИ ТА ПЕРСПЕКТИВИ

Ткаченко С.М.

Запорізький національний університет
Україна, 69600, м. Запоріжжя, вул. Жуковського, 66

Ключові слова:

аналіз конкурентоспроможності,
економіка підприємства,
навколишнє середовище,
екологічний моніторинг,
соціально-економічний
маркетинг,
стратегія інноваційного
розвитку

У статті розглянуто аналіз конкурентоспроможності промислових підприємств України, який є складним процесом та потребує комплексного підходу та врахування багатьох факторів, які можуть вплинути на економічну ситуацію в Україні та її підприємства. Визначено вплив на навколишнє середовище та покращення іміджу промислових підприємств. Проаналізовано що зниження впливу на навколишнє середовище сприяє не лише покращенню іміджу підприємства, а й власника. Визначена система внутрішнього а зовнішнього контролю екологічного моніторингу та оцінка результативності, яка дозволяє забезпечити активний зворотний зв'язок із зацікавленими сторонами та забезпечити ефективність екологічних практик. Розроблені рекомендації для покращення іміджу промислового підприємства на основі концепції інноваційного соціально-економічного та екологічного маркетингу які включати творчий підхід до стратегічних змін та покращувати сприйняття підприємства суспільством що забезпечує більш активну участь у розвитку суспільства. Розроблені інноваційні підходи в маркетинговій стратегії. Проаналізовано внутрішній контроль та покращення іміджу який дозволяє сприяти не тільки стабільному функціонуванню підприємства, а й його конкурентоспроможності на ринку металургійної продукції задля реалізації стратегічних цілей держави.

Statement of the problem

Analyzing the competitiveness of industrial enterprises in Ukraine during the Russian invasion is a complex process that requires a comprehensive approach and consideration of multiple factors that can impact the economic situation in Ukraine and its businesses. For a long time, the competitiveness of major industrial companies in Ukraine was conditional due to the existence of agreements among major owners. Therefore, understanding the actual dynamics demands a deep grasp of the country's economic, social, and political context. Market overview and competitive environment entail evaluating market structure and competitive landscape, identifying the prospects of key players dominating the sector. By analyzing their positions, market share, as well as their competitive advantages (technological level, reputation, scale, etc.), one can assess the nature of competition. Evaluating their financial indicators such as turnover, profit, assets, and liabilities is also imperative. It's essential to analyze their ability to repay debts, overcome potential financial difficulties, and invest in innovation. Assessing the level of technological infrastructure, innovation capability, and adoption of new technologies by companies is crucial. Examining research and development conducted by companies, along with their patents and intellectual property, provides insights. Understanding the workforce potential of companies, examining management quality, the professionalism of employees, strategies for attracting and retaining talented and promising staff are equally important.

The risks of agreements among major owners always exist, so the analysis must also consider the possible consequences of such agreements for company competitiveness. Within the analysis, potential impacts on production processes, strategic decisions, and overall business resilience are explored, assessing the possibility of conflicts arising and the influence of these factors on the financial status and image of companies. In the modern economic context of Ukraine, it's necessary to account for the political and legal framework, specifically the impact of political and legal factors on company competitiveness. When analyzing business environment stability, the risks of legislative changes and potential impacts of political decisions on company operations are considered.

Analysis of recent research and publications

He dealt with issues of comparative advantages that a specific enterprise has in relation to other enterprises that are competitors in the markets of goods and services P.L. Altukhov [1, p. 3]. A.E. Voronkova, G.I. Dibnis [2] studied the totality of the company's capabilities (production, innovation, personnel, resource) in various spheres of activity that interact with each other in a certain way. Study and analysis of literary sources by problem [3] allows to generalize terminological visions. Yes, a group of authors O.O. Getman, Dzh. L. Gibson, N.I. Gorbali, D. Kh. Donelli, D.M. Ivantsevich, V.I. Kramarenko, O.Ye. Kuzmin, V.M. Shapoval [4, p. 45] emphasize the market characteristics of the concept of enterprise competitiveness, i. e. define it in general as the ability to

gain a foothold and maintain a position in the relevant market. It is worth noting that such a position is quite narrow, as it considers only one aspect of the company's activity, which is not always related to its competitiveness, but can be formed due to the uniqueness or vital need for certain products.

Objectives of the article

The purpose of the article is the theoretical and methodological justification and strategic assessment of the analysis of the level of innovative development of the competitiveness of industrial enterprises of Ukraine.

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

- development and analysis of the national innovative model of competitiveness of industrial enterprises of Ukraine;
- improvement of the experimental base and assessment of the level of technological capacity of Ukrainian industrial enterprises, their ability to innovate and introduce new technologies;
- analysis of the influence of political and legal factors on the competitiveness of companies;
- conducting an analysis of the stability of the business environment, taking into account the risks of changes in legislation and the possible impact of political decisions on the activities of enterprises.

The main material of the research

Successful competitiveness analysis requires gathering a substantial amount of information, utilizing various sources, and a meticulous approach to evaluating each aspect. To comprehend the current situation regarding event progress and their impacts on the competitiveness of Ukrainian enterprises in 2023, a general framework approach to analysis can be employed, which can prove beneficial.

The general structure of competitiveness is shown in fig. 1.

1. Economic Impact: Analyzing the economic impact on production, sales, profitability, and other indicators of enterprises will help determine their competitiveness.

2. External Markets: Partial losing the market could prompt Ukrainian companies to actively seek new markets and engage with partners from other countries. Analyzing the development of foreign trade and market diversification will help evaluate the ability of enterprises to adapt to new conditions.

3. Innovation and Technology: During a crisis, companies may focus on developing innovative products and technologies, expanding their existing product range. This could positively impact their long-term competitiveness.

4. Resource Provision: Access to resources (raw materials, energy) is vital for industrial enterprises. Losses in this direction can significantly affect their efficiency and competitiveness.

5. Risk Management: Analyzing potential risks and developing strategies for their management will help enterprises adapt to unforeseen circumstances and maintain competitiveness.



Fig. 1 – General structure of competitiveness

6. Government Support: Active government support can mitigate the negative impact of the crisis on enterprises, aiding in preserving jobs and the ability to produce goods and services.

7. Quality Management: Continuously improving product quality and ensuring its control within the existing production framework through organizational and technical solutions are integral to systematic enterprise development. The certification of production and finished products expands opportunities for sales, even in conditions of consistent quality, enabling access to new markets and enhancing competitiveness.

8. Customer Orientation: In-depth work with the customer base, studying to satisfy additional customer needs, and understanding specific product requirements are key tools for enhancing competitiveness amid market competition.

The situation is constantly changing, and current analysis requires access to fresh data and specialized research. To obtain specific information about the state of industrial enterprises in Ukraine in the context of the Russian invasion, it is advisable to refer to current sources or analytical agencies specializing in this matter [5].

Among the primary aspects of industrial competitiveness are financial stability, technological advancement, product quality, market access, and marketing strategies. Major challenges faced by Ukrainian enterprises include limited investment in research and development, underutilization of innovative technologies, low management efficiency, and underdeveloped marketing strategies.

Among the primary aspects of industrial competitiveness are financial stability, technological advancement, product quality, market access, and marketing strategies. Major challenges faced by Ukrainian enterprises include limited investment in research and development, underutilization of innovative technologies, low management efficiency, and underdeveloped marketing strategies. Therefore, it's crucial to delve more deeply into potential avenues for enhancing the competitiveness of Ukrainian industrial enterprises. Specifically, the necessity of adopting innovative technologies, improving product quality, attracting investments, and enhancing managerial efficiency should be thoroughly discussed. Additionally, exploring opportunities to access external markets and boosting the export potential of Ukrainian enterprises remains pertinent. *The main assumption of this study is that enhancing the competitiveness of industrial enterprises in Ukraine through innovation and customer orientation is*

a crucial task for achieving sustainable economic growth. To achieve this, let's explore comprehensive approaches that encompass financial support, innovative development, marketing strategies, and improved management [6].

To understand contemporary trends in this direction, let's provide a few specific examples of innovations in enhancing the competitiveness of industrial enterprises:

1. Implementation of New Production Technologies: Industrial enterprises can enhance their technological processes by implementing advanced technologies such as automation, robotics, Internet of Things (IoT), artificial intelligence (AI), etc. This can lead to reduced production costs, increased efficiency, and improved product quality.

2. Development of New Products and Services: Innovative industrial enterprises continuously work on developing new products or enhancing existing ones. This might involve creating new materials, energy-efficient technologies, products with high functionality, or improving service quality. New products and services can help enterprises enter new markets and boost competitiveness.

3. Innovative Marketing Strategies: Industrial enterprises can utilize innovative marketing strategies to promote their products and services. For instance, they can use digital marketing, social media, product personalization, brand management, and other strategies to attract customer attention, create a positive image, and increase sales.

4. Innovation Management and Collaboration with Startups: Industrial enterprises can actively collaborate with innovative startups to bring in new ideas and technologies. This might include establishing innovation labs, partnering with universities, or placing open orders for new solutions. Collaborating with startups allows industrial enterprises to quickly adapt to changes, implement new ideas, and create competitive advantages.

5. Creation of Innovation Ecosystem: Enterprises can contribute to the development of innovation ecosystems by collaborating with other companies, universities, research centers, and governmental bodies. This fosters knowledge exchange, resource sharing, and opportunities for joint innovation projects. Establishing an innovation ecosystem enhances the competitiveness of all participants and creates a favorable environment for innovative development.

These innovation examples demonstrate how industrial enterprises can introduce new ideas, technologies, and strategies to enhance their competitiveness. The key to success lies in continuous exploration and implementation

of innovations, adapting to market changes, and partnering with other participants in the innovation ecosystem.

Consider a real-world example of an industrial enterprise in Ukraine that utilizes innovation to enhance its competitiveness. Public Joint Stock Company “Turboatom” is one of the leading manufacturers and suppliers of power equipment in Ukraine. The company specializes in producing and modernizing steam turbines, generators, pumps, and other elements of power equipment [7].

To enhance its competitiveness, “Turboatom” actively employs innovative solutions. Here are a few examples:

1. Implementation of New Technologies: “Turboatom” continually improves its production processes by implementing cutting-edge technologies. For instance, the company uses computer modeling and simulation to enhance the efficiency and quality of its products. It also employs automation and quality control to ensure high precision and reliability of its products.

2. Development of New Products and Solutions: “Turboatom” constantly works on developing new products and solutions that align with modern energy industry trends. The company engages in research and development of energy-efficient technologies, such as utilizing waste heat recovery or implementing smart energy management systems.

3. International Collaboration: “Turboatom” establishes partnerships with foreign companies and research organizations for technology and innovation exchange. This allows the company to access advanced developments and knowledge, as well as expand its market reach.

4. Focus on Quality and Certification: “Turboatom” dedicates significant efforts to ensuring high product quality. The company holds quality certificates compliant with international standards like ISO 9001, affirming its adherence to quality and reliability requirements. These are just a few examples of innovations “Turboatom” employs to boost its competitiveness. This company showcases how integrating innovative approaches can help Ukrainian industrial enterprises develop and maintain competitive advantages on the global market.

Another giant, Metinvest, one of Ukraine’s largest industrial holdings, implements innovative solutions to enhance its competitiveness. Here are a few examples of such innovations:

1. Digital Technologies and Smart Manufacturing: Metinvest employs digital technologies like the Internet of Things (IoT), artificial intelligence (AI), and data analytics to optimize production processes and increase productivity. For example, they implement monitoring and predictive systems to manage equipment, reduce energy consumption, and improve product quality.

2. Innovative materials and products: Metinvest focuses on the development and production of innovative materials and products that meet market requirements. For example, they develop high-strength steel alloys for special applications, environmentally friendly materials and products with coatings that provide durability and performance. At the “Zaporizhstal” and “Kamet-Stal” enterprises, new assortment lines of products are systematically being developed to compensate for the capacities lost in the eastern

territories, in particular commodity slabs for consumers in Europe (including the holding’s own European assets), the production of rolled products at the capacities of PJSC “Zaporizhstal” from ingots of alloyed and high-alloyed steel, smelting and casting of which was carried out at the “Kamet-Stali” industrial site.

Currently, PJSC “Zaporizhstal”, in addition to the certificate of compliance with international quality management standards ISO 9001, is also certified for product compliance with European standards EN10025-1:2004 and EN10130:2006, which confirms the high quality of products and provides the opportunity to sell them on the markets of Europe and other regions of the world.

3. Energy efficiency and environmental sustainability: Metinvest actively improves the energy efficiency of its production processes and directs efforts to reduce the negative impact on the environment. They use energy-efficient technologies, renewable energy and optimize the use of resources, which allows to reduce emissions of harmful substances and ensure environmental sustainability.

The experience of PJSC “Zaporizhstal” in the implementation of environmental protection projects has repeatedly been recognized as one of the most successful in the Ukrainian industry. Since 2012, the plant has directed about 15 billion hryvnias to the ecological transformation of production, and continues to invest. In 2008, the plant was certified for compliance with international standards of environmental and energy management, quality management, as well as occupational health and safety management. According to the results of the audits, PJSC “Zaporizhstal” was certified for compliance with the standards ISO 14001:2015, ISO 19001:2015, ISO 45001:2018 and OHSAS18001.

4. Innovative Research and Development: Metinvest invests in scientific research and the development of new technologies. They collaborate with research institutions, universities, and research centers to implement innovative solutions and stay at the forefront of their industry.

5. Social Responsibility and Management: Metinvest emphasizes social responsibility and management. They implement community support programs, environmental initiatives, and socio-economic projects to contribute to sustainable development in the regions where they operate. These examples illustrate how both “Turboatom” and Metinvest use innovation to enhance their competitiveness, improve efficiency, and address industry challenges.

6. Customer Orientation: With the aim of organizing interaction between the Sales Directorate, the Technology Directorate, and technical support and production departments of Metinvest’s product development, a special procedure for managing the customer base has been developed. Specifically, among the entire array of clients, the identification of Key Clients has been regulated. These clients have significant preferences in key matters related to product quality, implementation of additional requirements, and technical support organization. Such a work arrangement allows for the maximum concentration of efforts in the interaction between the manufacturer and the significant consumer of the product, minimizing the time required to make decisions regarding necessary

changes to the technological process for maximum customer satisfaction [8].

These innovative solutions by Metinvest demonstrate how the holding implements cutting-edge technologies, creates new products, and focuses on sustainable development to enhance its competitiveness in the market.

In general, this study demonstrates the importance of implementing socio-ecological and innovative practices in the marketing strategy of metallurgical industry enterprises and recognizes the significance of corporate social responsibility for improving the enterprise's condition and reducing risks. The final points elucidate additional aspects related to the development and improvement of PJSC "Zaporizhstal" activities based on the concept of socio-economic and environmental marketing.

Conclusions

In conclusion, this study should focus on several key points:

1. Impact of Socio-Ecological and Innovative Implementation on Enterprise Development: The author's analysis indicates that the dynamics of socio-ecological and innovative practices directly influence the development of the enterprise's economic status and profitability. As seen in the experience of large companies, there is a need to expand basic marketing through new tools to cater to the specific market segments' and society's needs.

2. Concept of Socially Ethical Marketing: The author has identified the main components of this concept and the peculiarities of its application in the metallurgical industry. It is also noted that socio-ecological and innovative marketing is an integral part of modern enterprise activities.

3. Impact of Marketing Environment on Social Responsibility: The influence of marketing environmental

factors on the opportunities for implementing corporate social responsibility was researched. This analysis proved that corporate social responsibility policies, particularly in areas of ecology, safe working conditions, philanthropy, and cooperation with local communities, can help enhance the enterprise's status and mitigate the negative impact of external factors such as political and economic instability.

4. Impact on the Environment and Image Enhancement: Reducing the impact on the environment contributes not only to the improvement of the company's image but also to that of the owner. This enables the company to operate steadily in an industrial region where the company's activities have always had a significant impact on the environment.

5. Internal Control System and Performance Evaluation: The process of enhancing the internal control system, which includes evaluating the outcomes of decisions made through the implementation of internal and external control practices. Implementing an ecological monitoring system allows for active feedback with stakeholders and ensures the effectiveness of environmental practices.

6. Recommendations for Image Enhancement: Recommendations for improving the image of PJSC "Zaporizhstal" based on the concept of innovative socio-economic and ecological marketing may include a creative approach to strategic changes that enhance the perception of the company by society and facilitate more active participation in societal development

In conclusion, this study demonstrates that the development and implementation of innovative approaches in marketing strategy, internal control, and image enhancement can contribute not only to the stable functioning of the enterprise but also to its competitiveness in the metallurgical product market.

References

1. Altukhov P.L. (2005). A process approach to ensuring the competitiveness of the enterprise. *Herald of economic science of Ukraine*. № 2. P. 3–5.
2. Voronkova A.E. (2000). Support of the competitive potential of the enterprise / A.E. Voronkova, V.P. Ponomarov, G.I. Dibnysv. Kyiv : Tekhnika. 152 p.
3. Khaminich S.Yu. (2006). The method of integral assessment of the level of competitiveness of an industrial enterprise. *Economist*. № 10. P. 59–61.
4. Getman O.O. (2007). Economic diagnostics : study guide for students of higher educational institutions / O.O. Getman, V.M. Shapoval. Kyiv : Center for educational literature. 307 p.
5. Tkachenko S. (2023). Fundamental imperatives of eliminating uncertainty on the basis of monitoring the activity of the iron ore enterprise / T. Beridze, Z. Baranik, I. Dashko, O. Hamova, S. Tkachenko. *Naukovyi visnyk natsionalnogo hirnychoho universyitetu*. № 3. P. 151–156.
6. Tkachenko S. (2022). Modeling of investment impacts on industrial enterprise profits / N. Lokhman, T. Beridze, Z. Baranik, I. Dashko, S. Tkachenko. *Naukovyi visnyk natsionalnogo hirnychoho universyitetu*. № 4(190). P. 151–155.
7. Tkachenko S. (2022). Intellectual capital as a factor forming economic security of enterprises in Society 5.0 / I. Mishchuk, Y. Riabykina, N. Ushenko, O. Hamova, S. Tkachenko, N. Yastremska. *Wseas transactions on business and economics*. P. 269–277.
8. Tkachenko S. (2021). Influence of vertical integration of enterprises on change of their financial indicators and economic security / I. Mishchuk, O. Hamova, S. Tkachenko, N. Skliar, O. Bulhakova, O. Levandivskiyi. *Academy of Accounting and Financial Studies Journal*. Vol. 25. Special Issue 5. P. 1–8.
9. Tkachenko S. (2021). Assessment of investment risks of an industrial enterprise / T. Beridze, Z. Baranik, I. Dashko, O. Hamova, S. Tkachenko. *Financial and credit activities: problems of theory and practice*. № 5(40). P. 429–436.