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Volume 27 (4), 2018

MECHANISM OF DETERMINING COMPETITIVE ADVANTAGES OF BUSINESS SYSTEMS IN GLOBAL ENVIRONMENT

In a global environment, it is impossible to apply national principles of business and the requirements of the laws of an individual state, business systems develop and interact with each other, which requires constant monitoring and forecasting of possible directions of development, therefore, the purpose of the research is to create a mechanism for the identification and evaluation of the competitive advantages of international business entities. Particular importance is the ability of business systems to gain combined competitive advantages in international and local markets, which uses methods of comparative, factor and system-structural analysis, expert evaluations. As a result of the research, the process of ensuring the implementation of competitive advantages of international business entities was formed, which will allow the firm to hold a competitive advantage longer, since the sources of competitive advantage are determined. Advantages of a low level, such as cheap labor or raw materials, can easily be obtained by competitors. Advantages of a higher order are proprietary technology, differentiation based on unique goods or services, reputation of a firm based on enhanced marketing activities, or close customer relationships require more elaboration and resources. Determination of competitive advantages becomes the basis for the formation of information for planning the activities of subjects of international business in conditions of disintegration of the economy. The formed mechanism for identifying competitive advantages has been adapted to the peculiarities of the activities of international business entities, which has made it possible to consistently identify, analyze and exploit competitive advantages in the relevant markets. In the process of implementing the mechanism, it is proposed to use an integral indicator of the assessment of the competitive advantages of subsystems of international business entities, which is adapted at the enterprises of machine building of Ukraine.

JEL: D41; F23; M16

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1. Introduction

With today's global changes, businesses adapt and become innovative, changing their own business models and development strategies. In addition, the needs and wishes of consumers are constantly changing, which leads to the emergence of new requirements for goods and services. International business players in foreign markets need to increase their own resources and investments in order to meet growing demand.

The main goal of any business system is to ensure its sustainable position in the future. This is impossible without such factors as: dynamism and flexibility; adaptability; predictability; ability to carry out activities in conditions of a shortage of resources; decision-making under conditions of uncertainty.

In the competitive international business environment, results can be achieved by introducing innovations and timely adjustments to change. The exit of the company into external markets requires the presence of a certain competitive advantage of the subject of international business, which will provide financial stability and opportunities for development.

The global environment of business systems can be estimated taking into account the global components that lead to standardization and are driven by the economies of scale, competition, behavior and consumer expectations, and by analyzing the local components that study local features: legal norms, culture, consumption, network marketing, etc. The environment of organizations operating at the international level is more complicated, as the unique system of factors characterizing each country is influenced by the business system: economy, culture, quantity and quality of labor and material resources, laws, state regulation, technological development. The global environmental analysis is a process by which strategists monitor the world economic, governmental/legal, market/competitive, supplier/technological, geographic, and social settings to determine opportunities and threats.

2. Literature Review

Theoretical problems of ensuring competitiveness and the formation of competitive advantages have been researched by foreign and Ukrainian scientists, including I. Ansoff (1999), M. Porter (2007), R. Fatkhuddinov (2004), A. Voronkova (2008), Yu. Ivanov (2008) and others.

I. Ansoff (1999), who based on the market and on the products, has defined four basic competitive strategies.

M. Porter (2007) argues that analysis of the competitive sphere can be done with the help of his five forces model which will help enterprises to achieve the competitive advantage in the market. Thus, competitive advantage depicts a company's competencies and its capability to survive against the factors prevailing in the enterprise's external environment. Interaction of I. Ansoff (1999) is close to the notion of competitive advantage in the

interpretation of M. Porter (2007), since the researchers believe that in order to obtain competitive advantages, it is necessary to determine the ratio of actual and basic productivity of utilization of enterprise resources.

At the same time R. Fatkhutdinov (2004) proposes to determine the essence of competitive advantage on the basis of the concept of value, and a set of values determines competitive advantages.

Yu. Ivanov (2008) identifies specific approaches to determining the competitive advantage, comparative, resource and value-competent approach. The competitive advantages are positive differences of the enterprise from competitors in some or all types of activities that ensure the improvement of socioeconomic efficiency in the short-term and long-term survival through the constant search for new opportunities and rapid adaptation to the environment and the conditions of competition, changing.

Scientific publications do not provide a uniform classification of competitive advantages. M. Porter (2005) distinguishes two competitive advantages: lower costs and differentiation (uniqueness) of the product. T. Copeland, T. Koller and D. Murrin (2005) further differentiate the advantage of more efficient use of capital. K. Hessig (1995) and G. L. Asoev (2000) singled out the advantage of the speed of responding to the needs of the market. G.L. Asoev (2000) suggests considering the competitive advantage of the possibility of simulation and the nature of the dynamics of goods. R.A. Fatkhutdinov (2004) emphasizes the following criteria of competitive advantage: the field of advantage; content of the factor of advantage; method or means of obtaining an advantage.

Of particular interest is the definition of competitive advantages in international business systems, which is a little-studied phenomenon. Suslov V. (2008) under the business system understands the entire set of business processes implemented by the organizational unit to achieve its strategic goals. In a global environment, such a set will represent a chaotic synthesis of various difficult-to-forecast in various fields of activity with certain counterparties. The researcher of the theory of business systems V.S. Efremov (2008) adds the commercial component to the essence of the business system, arguing that "if the profit is identified with the synergetic effect of interaction of elements and conditions of business activity in the processes of organization, production, sale of products, as well as the processes of investment and competition, the very system in which such interaction, can be called a business system". That is, the business system is the system of relations, creating and implementing a commercial benefit certain use-value. Characterizing the competitive advantages, the content of the business system is complemented by industry subordination of interests of competing companies. That is, business systems interdependence in the competition involves not only the choice of personal competitive advantage strategy, but also the development of the development strategy of the whole business system, in which the benefits are many, or all member companies. According to Kupriyanov Yu. (2015) elements of the business system that determine the competitive advantages are those elements that determine the strategic advantage of the business system and form its uniqueness. That is, critical competitive advantages as elements of the global business system are search and construction of a unique innovative business model, creation of a strategic portfolio balanced in terms and technologies, rational configuration of the organizational architecture, programming of business space.

Typically, experts identify such approaches to the formation of competitive advantages of the enterprise, market, resource, institutional approaches. The resource approach M. Porter (2005), etc. focuses on the efficient use of resources. The market approach R. Fatkhudinov (2004) determines the competitive advantages in terms of opportunities to use the competencies and values of the enterprise, which enable it to form and develop competitive advantages, as well as strategic directions of ensuring the corresponding competitive status on the market. The comparative approach G. Azoyev (2000) involves searching for opportunities ahead of their competitors by comparing and comparing certain characteristics of different enterprises, which gives an idea of the ability of the company to compete successfully in a definite market.

In this case, market and resource approaches are one-sided and do not provide maximum success. The institutional approach that benefits long-term relationships with consumers, the partnership is based on the network nature of the operation of enterprises, promotes the integration of competitive and cooperative relationships among market participants, which minimizes costs and improves access to information flows, and so on.

The given characteristic indicates the possibility of allocating additional approaches to the definition of competitive advantages, namely: the factor and productive approach, where it is possible to draw attention to the results and effects that an international enterprise receives due to a certain set of factors; the approach based on the potential in which accentuates the focus on the competitiveness of the enterprise's potential and the combination and development of its constituent elements; the process approach, where competitive advantages are considered as a process carried out by an enterprise in a global environment.

On the basis of the content of the concept of competitive advantage, we can conclude that the difference from competitors must be significant. At the same time, it cannot be considered without identifying the competence or value of the international company. In a competitive international environment, the types of resources that do not have a material form become more important, but they influence the formation of the results of the activity and the development of the international enterprise. A more reliable way to increase competitiveness in the international environment is to increase and use intangible competitive advantages, to develop relationships with customers, maintain loyalty and develop new market segments, introduce new products and services, implement information technologies and systems, etc. That is, a competitive advantage can be defined as the competence or value created by the enterprise to provide increased efficiency, profitability, flexibility through the search for new opportunities and rapid adaptation to the challenges and transformations of the international global environment. This methodological approach allows us to trace the causal relationships and identify the existing and potential opportunities of the international enterprise.

Regarding the subjects of international business, research on the issues of ensuring competitive advantages, the development of recommendations for improving the formation of competitive advantages in terms of disintegration remain undetermined.

3. Methodology of the Empirical Research

3.1. Research aim and design

The purpose of the article is to form and evaluate the competitive advantages of international business entities regarding the timely and effective definition of the areas of their business activities.

As international business is an activity that involves transactions between two or more contracting countries the formation of competitive advantages in each country is different. The main subjects of international business, which can be individuals, firms, unions of entrepreneurs, representatives of states, international organizations, multinational corporations, while pursuing their activities obtain the appropriate competitive advantages.

First, the subjects of international business can create national or comparable competitive advantages. Thus, Chinese international business entities export predominantly low-cost goods of superior quality. Indian contracting companies use differentiation for products that are exported. Japanese exporters specialize in producing quality brand products and innovations. The competitive advantage of American counterparties is innovation.

Business entities operating in two or more markets are developing and using combined competitive advantages that take into account: access to markets and resources, local adaptation, and more.

Due to access to new markets, international business entities can quickly increase sales volumes by targeting new markets and new market segments. Ukrainian international businesses companies according to the sphere of activity apply as wide coverage, that is, increase in the range of serviced countries; and wide penetration by finding new customers and distributing new types of goods in existing markets. Representation in foreign markets of goods of various price segments is a significant competitive advantage for international business. Subjects of international business orientate products to countries with different income levels. Thus, international business entities offering goods to developed countries should focus on innovation and a high price segment. In turn, international business subjects oriented towards developing countries should offer goods at lower prices.

Increasing access to the market for subjects of international business allows improving the efficiency of marketing and sales opportunities; effective management of distribution channels; forming partnerships through coordination and integration.

Access to resources of international business entities can maximize their competitive advantages. Reducing the costs of operations of international business entities facilitates the transfer of production and business processes to countries with cheap material, labor and financial resources. The subjects of international business, in this case, should take into account the instability of the exchange rate, the change in demand and the decrease in the dynamics of expenditure. They should also consider supply chain constraints, transport costs, customs tariffs, etc. Increasing access to resources can allow international business entities to change the cost structure and create flexible supply chains that will increase their competitiveness.

Access to resources by the international business company is realized through the globalization of research activities, the attraction of innovative potential, the use of attractive local opportunities, the use of resources of the countries with the best prices, offshore business processes to reduce costs and increase productivity, attract qualified personnel.

Local adaptation of international business entities allows you to use know-how in the local market, understand local customers, and effectively segregate customers for the development of an individual product and service delivery; adjust pricing policy, focusing on target value even at zero profitability; differentiate approaches to enter the market, taking into account the unique conditions of each country and segment, localize business activity to fully utilize the opportunities of each market and simultaneous use of opportunities available in different markets.

When adapting to local conditions, international business actors maximize their impact by using a global network for sharing practices, knowledge, technologies, and more. This can allow the distribution of the benefits of resources in different markets. Coordination of actions of subjects of international business gives several advantages. First, it provides economies of scale by applying such tools as standardizing the process, sharing best practices. Secondly, the use of the diversified and distributed global network allows you to earn extra revenue.

Coordination of the activities of international business entities can be achieved through various means, including the following measures: the implementation of common standards and processes, the promotion of the transfer of innovation and the exchange of best practices, the possibility of exchanging information, the introduction of a common set of values and cultures in a particular market. Consequently, taking into account competitive advantages, the subjects of international business in the modern business environment need to quickly adopt changes adapt to the market and use innovative opportunities.

Effective promising activity of subjects of international business depends on the timely identification and implementation of their own competitive advantages, which are conditioned by their competitiveness, financial and market stability, international capabilities, etc. This allows international business entities to have stable positions in international markets for goods and services, and to produce and sell products that are in demand from foreign consumers. Such a position of the subjects of international business should be supported, as it is constantly changing, so the implementation of innovative solutions supports high performance. Management activity of subjects of international business is constantly adjusted in accordance with the policy of management, changes in international markets are monitored, and changes are being made in the system of production and sales of goods.

Competitive advantages are different forms of manifestation, based on economic factors, regulatory documents defined by the level of infrastructure, geographic and demographic constituents, technical advantages, better information security, etc.

The competitive advantages of international business entities may depend on positions in the international rating of the country's competitiveness, which are formed in accordance

with the indicators of the macroeconomic environment, level of development of the financial market, credit rating of the country, etc. The indicators indicate the possibility of obtaining financing in the domestic and foreign markets, which is conditioned by the number of investors and the level of the economic situation. Ukraine holds high positions in the ranking due to the presence of scientific and engineering staff, the quality of research institutions and the number of patents for inventions. These indicators indicate that innovation is a significant potential for economic growth. The level of corruption, the difficulty in obtaining financial resources, the degree of inflation, political instability; level of taxes, regulation of the foreign exchange market and the labor market; low quality of infrastructure and so on reduces the competitive advantages of international business entities.

The methodology that we will use to determine competitive advantages in the global environment, which allow us to assess the competitiveness of the enterprise, is based on the theory of effective competition, which is included in the integrated methods. The method allows carrying out a detailed analysis of all aspects of the economic activity of an international company, taking into account its work in a changing global environment. The methodology provides an opportunity to receive information about competitive positions in the market quickly and objectively, identifying the strengths and weaknesses, as well as reacting to the manifestations of the external environment. Groups of indicators that allow you to assess the company's competitive advantages are listed in Table. 1. Each of the indicators has a different degree of importance in determining the competitive advantages of an international enterprise. Expertly, the coefficients of weighting the criteria recommended for international enterprises.

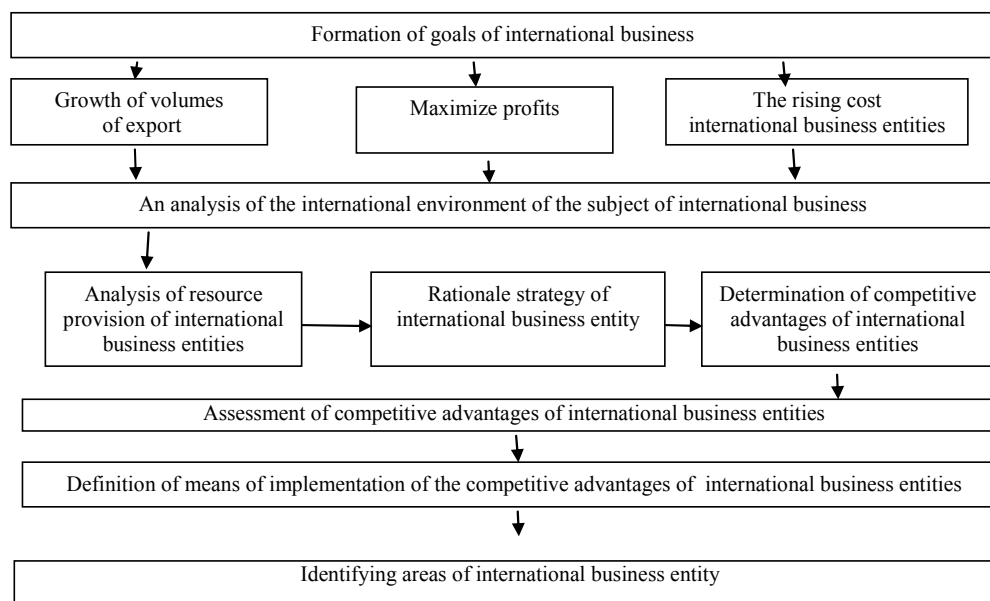
This method has advantages and disadvantages. The advantages include the exclusion of duplication of certain indicators, the coverage of the most important characteristics of the economic activity of an international enterprise, the possibility of objectively obtaining a picture of the situation of the enterprise in the global market environment, and others. We will mention to the disadvantages the complexity of collecting the necessary information and the high complexity of mathematical processing.

3.2. Research instruments

We consider the process of ensuring the competitive advantages of international business entities. Determination of competitive advantages becomes the basis for the formation of information for planning the activities of subjects of international business in conditions of disintegration of the economy. Information support research of the competitive advantages of international business subjects involves the study of internal and external information: economic, legal, social, international; technical and technological; organizational that is, continuous monitoring of the dynamics of development of subjects of international business and international processes.

Figure 1

The process of ensuring the implementation of competitive advantages of international business entities



Source: Research result, 2018

On the basis of the information provided, it is possible to manage the subjects of international business, ensuring their competitive advantages. The existing management mechanism should be adapted in accordance with the peculiarities of the activities of the subjects of international business, which enables to consistently identify, analyze and use competitive advantages in the relevant international markets. In the process of implementing the mechanism, you can use a variety of schemes for evaluating subsystems of international business entities.

The process of ensuring the implementation of the competitive advantages of international business entities is a set of procedures for a favorable business in competitive external markets. The effectiveness of providing competitive advantages takes into account the systematic evaluation, interactivity, dynamic support, multicriteria, ongoing analytical work on the study of the state and trends in the development of foreign markets.

4. Findings Results

In order to preserve the competitive advantages of the subjects of international business, changes, improvements and innovations are needed. Sources of innovation that provide competitive advantages to international business actors are new technologies; new consumer requests; change in the cost of production; the emergence of a new segment; change in government regulation. New technology creates new opportunities for production and promotion of products by international business entities. When changing the cost of components of production, namely raw materials and labor, transport and energy costs, etc., the subject of international business may receive or lose its competitive advantage. The source of obtaining a competitive advantage by the subject of international business is the creation of new segments. Recent government policies in the field of standardization, trade restrictions, competition law, etc. also lead to finding innovations and obtain competitive advantages. The achievement of competitive advantages by the subjects of international business is ensured primarily due to the innovation of products and technological processes, time and cost savings, and flexibility.

Thus, competitive advantages in terms of flexibility are achieved through the rapid opportunity to take into account changes in demand, the timely development of new products, and shortening delivery times. Increasing the level of competition in international markets, changing requests and wishes leads to the positive results of those international business actors who have competitive advantages by reducing costs, improving quality, flexibility and adaptability, innovation and time-saving.

Consequently, it is advisable to assess the competitive advantages of international business entities due to the difference in the regulatory and legislative framework, the distribution of consumers, the levels of development of foreign markets.

The analysis of the activities of international business entities and their comparison with competitors focuses on increasing the innovation potential, which includes scientific, technical, infrastructural, economic, financial, legal, social and cultural opportunities.

Identification of competitive advantages of international business entities can establish competitive advantages at the level of goods or services of subjects of international business; at the level of the subject of international business; at the level of the market of activity of the subject of international business.

The determined set of indicators for assessing the competitive advantages of international business entities is the basis for calculating the integral indicator.

Table 1

The main competitive advantages of international business entities and indicators for their evaluation

Competitive Advantages	Characteristics of benefits	Indicators of competitive advantage assessment
Production and technological	Efficiency of using funds for international operations, saving resources and expenses on foreign economic activity, modernity of technologies and technological processes in the manufacture of export products, characteristics of export products	share of new goods in export, return on capital assets covered by export business, return on assets the level of innovation activity of export-import activity
Personnel	Qualification and creativity of the personnel engaged in the production of export products, productivity, propensity for innovation	output per employee in international activity, personnel potential of foreign workers
Organizational and managerial	Flexibility of organizational structure and effectiveness of management of subjects of international business	quality management of international activities
Financial and economic	Solvency, liquidity, profitability, return on international operations	profitability of export-import activity, coefficient of coverage of own working capital of international activity, indicators of the financial condition of international activity, currency efficiency
Market	Conditions of activity of subjects of international business, competitive environment of international business, proximity to sources of resources and markets	export and import volumes, commodity structure of export and import, the ratio between the growth rate of export of the enterprise's products and the growth of sales of the corresponding products in international markets
Marketing	The image of the subject of international business in international markets, the level of prices for export products, diversified portfolio of orders, communication capabilities of international business entities	fulfillment of export obligations, the average duration of the turnover of export (import) operations, number and amount of claims received from international activities

Source: Research result, 2018.

The integral indicator of the competitive advantages of international business entities should be presented in the form of the function of such groups of variables: competitive

preferences of subjects of international business (Competitive position i), weighted coefficient of the corresponding competitive advantage (K_i), adjustment factor taking into account the influence of factors of the environment (e_i):

$$CP = f(\{\text{Competitive position } i\}, \{K_i\}, \{e_i\}).$$

The assessment of competitive advantage, its quantitative characteristics is to determine the indicators of competitive advantage for each component; determining the level of influence of this component on the competitiveness of subjects of international business and determining the level of influence of factors of the environment on the corresponding indicator.

We consider the set of competitive advantages given in table. 1, detailing and taking into account the performance indicators of the enterprises of Kharkiv region (Ukraine), which successfully operate in international markets. We will also carry out appropriate calculations, which will create the preconditions for applying a methodological approach to assessing the competitive advantages of enterprises in the global environment. This approach will identify disadvantages in the implementation of the strategy for managing the competitive advantages of international markets, given that the factors of the global environment are influential (Table 2).

The proposed methodological approach allows us to assess the adequacy of the parameters of competitive advantage, based on the results of which it is possible to make operational decisions regarding the strategy of further development of the international activity of the enterprise in the conditions of the global environment and the formation of a stable competitive position.

The situation of subjects of international business is characterized not by certain competitive advantage, but by their aggregate. Taking into account the complexity of the object of evaluation to the system of integral assessment included indicators that reflect a certain direction of activity of subjects of international business in the dynamics. In this case, it is expedient to use such coefficients and relative indicators as they characterize the level of competitive advantages, are informative. Determining the level of influence of this component on the competitiveness of international business entities should be carried out on the basis of scoring by experts, and the impact of environmental factors should be implemented using correction factors, taking into account real changes in external markets.

Due to the assessment of the competitive advantages of international business entities, timely management decisions on tactics and strategies for further development of the subject of international business are possible.

Table 2

Assessment of competitive advantages of machine-building enterprises of the Kharkiv region (Ukraine)

Indicators	Amount	State Enterprise "Plant Electrotyazhmash"	PJSC "Turboatom"	PJSC "HARP"	PJSC "Kharkiv Electrotechnical Plant Ukrelectromash"	PJSC Kharkiv Machine Tool Plant"	JSC Avtramat	PJSC Ligh Miner
Production and technological (0.20)								
share of new goods in export	0.35	17.4	7.3	9.2	11.4	4.6	6.5	6.6
return on capital assets covered by export business	0.23	8.55	3.1	8.3	7.3	6.4	7.6	5.9
return on assets the level of innovation activity of export-import activity	0.42	21.0	17.6	15.9	12.2	13.6	11.9	11.4
Personnel (0.15)								
output per employee in international activity	0.45	22.5	43.0	33.4	24.0	27.4	12.6	17.8
personnel potential of foreign workers	0.55	11.2	17.9	9.7	3.6	2.5	2.8	2.7
Organizational and managerial (0.15)								
quality management of international activities	1.0	0.67	0.62	0.55	0.89	0.63	0.72	0.86
Financial and economic (0.20)								
profitability of export-import activity	0.3	0.24	0.18	0.23	0.28	0.18	0.20	0.33
coefficient of coverage of own working capital of international activity	0.2	1.5	1.27	1.7	2.1	2.6	1.9	2.0
indicators of the financial condition of international activity	0.25	0.71	0.75	0.71	0.7	0.68	0.76	0.78

Indicators	Amount	State Enterprise "Plant Electrotyazhmash"	PJSC "Turboatom"	PJSC "HARP"	PJSC "Kharkiv Electrotechnical Plant Ukrelectromash"	PJSC Kharkiv Machine Tool Plant"	JSC Avtramat	PJSC Ligh Miner
currency efficiency	0.25	0.14	0.12	0.07	0.09	0.16	0.14	0.21
Market (0.15)								
export and import volumes	0.4	0.62	0.76	0.74	0.79	0.81	0.6	0.58
efficiency of commodity structure of export and import	0.3	0.79	0.71	0.77	0.85	0.82	0.74	0.74
ratio between the growth rate of export of the enterprise's products and the growth of sales of the corresponding products in international markets	0.3	0.05	0.06	0.06	0.09	0.09	0.07	0.06
Marketing (0.15)								
fulfillment of export obligations	0.4	0.99	0.98	0.99	0.9	1.0	1.0	0.98
average duration of the turnover of export (import) operations	0.3	8	9	12	14	7	8	14
amount of claims received from international activities	0.3	0	1	0	1	0	0	1
Integral score of competitive advantage		8.9	7.3	6.4	5.3	4.7	3.7	4.2

Source: Research result, 2018.

In the complex consideration of all indicators of the activity of the subject of international business, as well as important factors of external influence, forming a competitive advantage, it is possible to diagnose the activity of the subject of international business in foreign markets and develop its development strategy, taking into account the capacity of the market and directions of its development, in the relevant market, especially the

competition. The weighted average of the normalized integral index of competitive advantages can range from 0 to 1. The value of the integrated indicator of competitive advantage from 0.7 to 1 indicates the significant competitive advantages of the subject of international business in comparison with competitors, which allow to stably act on new markets, expanding them; to innovate and to improve export products. The indicator value of 0.3 to 0.7 demonstrates sustainable competitive advantages that are not quite significant and positive dynamics indistinguishable, suggesting the need to improve financial, industrial, innovation, investment, management, marketing, international business entity. The value of the integrated indicator from 0 to 0,3 suggests that the subject of international business loses competitive advantages, the effectiveness and efficiency of international activity is decreasing, which requires the development and improvement of various areas of activity of the subject of international business, economical use of resources, rationalization opportunities, careful attention to the formation of competitive advantages.

The calculations were carried out on the basis of the results of the activity of the machine-building enterprises of Ukraine in the Kharkiv region, which are international business entities. The main competitive advantages of the State Enterprise "Plant Electroyazhmash" are highly demanding compliance with the technologies of each operation, and the implementation of full-scale testing of finished products, which allows you to increase sales volumes, the overall integrated indicator speaks of stable competitive advantages on the market. Competitive advantages of PJSC "Turboatom" are the conditions for effective work of employees, their training, stimulation of initiative and professional growth. Competitive advantages of PJSC "HARP" are the satisfaction of importers' needs regarding quality and terms of delivery, full complex of quality control of products. The competitive advantage of PJSC "Ukrelectromash" is the quality management with effective import control of materials import. As a competitive advantage of PJSC "Kharkiv Machine-Tool Plant", it was chosen to create its own service network of the enterprise in order to increase the efficiency of the company's product use by customers. Competitive advantage JSC "Avtramat" is the focus on the needs of demanding customers. PJSC "Light Miner" is one of the leaders in the business rating among Ukrainian enterprises based on the results of the national statistical ranking of economic entities on the basis of a set of indicators of their financial and economic activity, indicating financial and economic and organizational and local managerial competitive advantages.

5. Conclusions

The current conditions for the disintegration of the economy require timely diagnosis and evaluation of competitive advantages, since competition in international markets for Ukrainian business is rather fierce. The subject of international business should assess in detail the competitive position and use the available competitive advantages in a timely manner. The results of timely evaluation provide an opportunity for the subjects of international business to timely adjust the strategy. An integral indicator of the competitive advantages of an international business entity is the basis for its competitiveness in international markets. The availability of calculations of the integrated indicator of

competitive advantages gives the opportunity of tactical management, development strategy development, the formation of the potential of the subject of international business.

Thus, the study analyzed the essence of the competitive advantage of the subject of international business and its components. The process of ensuring the realization of competitive advantages of the subjects of international business is formed, which allows to quickly determine the components of competitive advantages and to carry out their evaluation. A list of indicators for assessing the competitive advantages of international business entities that measure the competitiveness of the subject of international business in foreign markets is established. The degree of competitive advantage of a subject of international business in a certain period of time is determined by the influence of interconnected factors. The assessment of competitive advantages ensures their realization and definition of the major directions of activity of subjects of international business, which is a prerequisite for the effectiveness of management, the formation of the potential of the subject of international business.

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