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**ELABORATION AND ACCOMPLISHMENT OF COMPETITIVE  
STRATEGY FOR INDUSTRIAL ENTERPRISE**

**Abstract.** The article describes in detail the process of developing a competitive strategy for an industrial enterprise with its stage-by-stage accomplishment and determination of the basic principles. The specificity of the strategic analysis of an industrial enterprise is presented, including a set of strategic measures aimed at studying its external and internal environment. The author proposed a scheme for the development of strategic measures, which consists of six blocks, including analytical procedures to identify the internal potential of an industrial enterprise. Special attention is paid to the implementation process of the developed competitive strategy, a phased methodology for its accomplishment is proposed. Depending on the effectiveness of the implemented strategy, various measures are proposed to develop further actions to update the competitive strategy of an industrial enterprise.

The findings of the study can be used for further development of the competitive strategies theory. The research results can be used as step-by-step instructions in the process of assessing the competitiveness of an industrial enterprise and developing its competitive strategy.

**Key words:** competitiveness, competitive strategies, industrial enterprises.

**Introduction.** All Kazakhstan companies, the same as all other companies in the world, carry out its activity under the conditions of continuous economic changes, and this becomes crucial for the entrepreneurship and encourages to change approaches for economic activity management. Constant changes cause continuous movement of all conditions under which the companies carry out its activity leading to changes in market environment, aggravation of competition, change of consumer preferences to producing goods etc. that hampers significantly the companies' activity management and makes difficult for them to determine the direction of activity development. The companies operation under uncertain conditions generates the increased demand for the strategic management that at this stage of the economy development has the top priority.

Under current conditions the most of entrepreneurs recognize the necessity to act in a long-term perspective, therefore it becomes extremely important to choose a right direction of development that will allow gaining long-term competitive advantages. This can be provided by the strategy of company development. The correctly developed strategy of a company development will serve as a base for forming of long-term competitive advantages, and to a definite extent, it will be a guarantor for harmonious development, and consequently, will ensure the competitiveness of a company in future [1]. In general, the national companies do not elaborate the development strategy at the beginning of its activity, but when a definite period of time passes. This time allows getting an idea on the “direction of further development” and after that the strategy development is started.

At the same time it is worth to note that the stable financial state of a company or its high position in the market is not principal for successful development of the strategy. The theory and practice on strategies development established by the moment cannot provide a unified technique or method that could consider the peculiarities of Kazakhstan industrial enterprises and guarantee the correct elaboration and successfulness of the strategy.

### **Results and discussion.**

The tendencies of industry development show that it changes in two main directions. The first is manufacture of new products, the second – appearance of new niches at existing segments. Such tendency of the market structure development is mainly caused by high technologies development activity and high-tech manufacturing. The high-tech manufacturing sector has already overstepped the borders of space technologies, instrument manufacture, defense industry etc. and today it gradually extends covering the production of unique goods widely used in human life [2, p.73].

The competitive strategy, the same as other strategic plans of a company, is elaborated and introduced on the corporate level, and on business, functional, linear levels etc. The elaboration of the industrial enterprise strategy is based on such elements as:

1. Mission of a company – this is elaboration and course of the highest values of the company, its main goal of activity at a given market. The chosen mission corresponds to the set ideals that form values by determining the movement vector. Considering the gained experience as an ideal it becomes clear that a result is the organization success that can be considered as a goal.

2. Strategic intention of a company. It is also called strategic vision. It is equal to a goal for the definite period of time. For instance, at the moment it is necessary to achieve a goal on making a profit from the activity carried out by the company.

3. Content of the goal and the whole essence of strategy – forming of definite cause-and-effect relationships and chains. The goals are measured indicators allowing determining the degree of these or those projects implementation. The goal is an indicator of the desired result and is reflected in the strategic map. Strategy is a plan of actions helping to achieve the goal. For instance, the market share represents both, the goal and the strategy to put competitors out of the market.

4. Tasks. “Only strategic tasks are able to force the strategy to act and stipulate its implementation. In whole, the strategic tasks form a “portfolio” in which all strategic projects are interconnected” [3].

5. The indicators that measure and demonstrate the level of the goal achievement. These could be a profit or market share expressed in turnover of commodities.

6. Implementation of the planned actions and projects to achieve the set goals [3].

The organizational and economic mechanism on forming and implementation of the competitive strategy implies the integrity of system elements reflecting actions on its planning, analysis, elaboration and accomplishment of the enterprise strategy considering the effect of the external and internal environment factors. The approaches used for the competitive strategy elaboration are based on the strategic analysis that is a key foundational (preparatory) stage (Figure 1).

The scheme shows the accomplishment of planning function (strategic and competitive) at the enterprise basing on the main principles, i.e. such norms and rules of elaboration and implementation of the strategy in the market as:

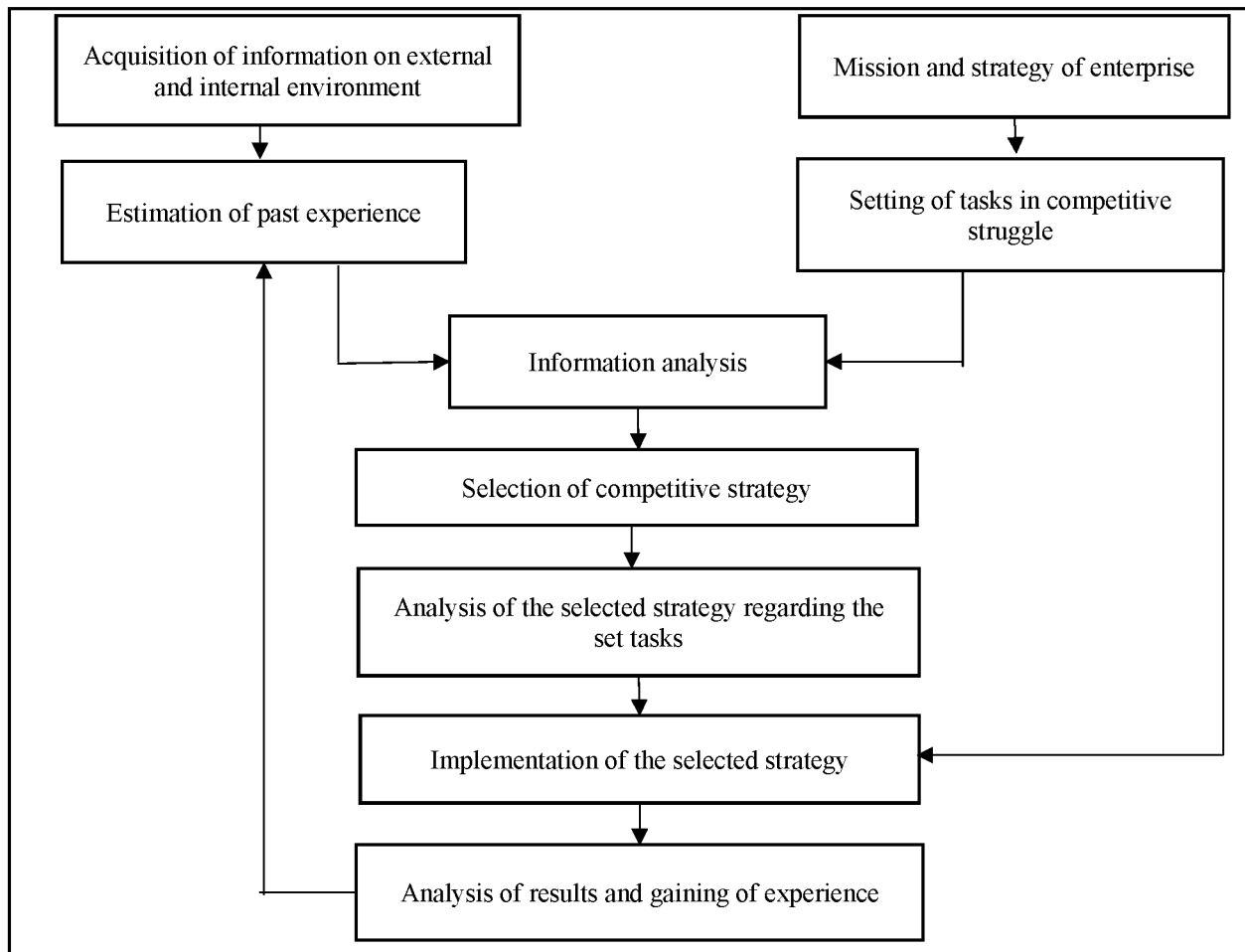
- steadiness and growth (accumulation);
- step by step movement;
- cycling.

The steadiness in the competitive strategy means the continuous analysis of the gained experience, i.e. before starting to form a strategy the enterprise should always analyze the previous experience to reveal the past mistakes so the strategy is really useful. This is extremely important – to improve the strategy by excluding the mistakes.

The “step by step” movement means that the movement forward is possible only if there is something to start from, i.e. to have a base formed during the previous period. This means the analysis of steps, its correctness, accuracy and justification that will allow, to a definite degree, estimate rationally the results obtained due to the strategy implementation.

The cycling in this case means the repetition of the competitive strategic planning that is repeated considering the results of the gained experience analysis as the experience enriches constantly due to variable environment [5, p.19].

The strategic analysis that is schematically represented in Figure 2 includes a set of strategic activities aimed at investigation of external (micro and macro) and internal environment of enterprise.



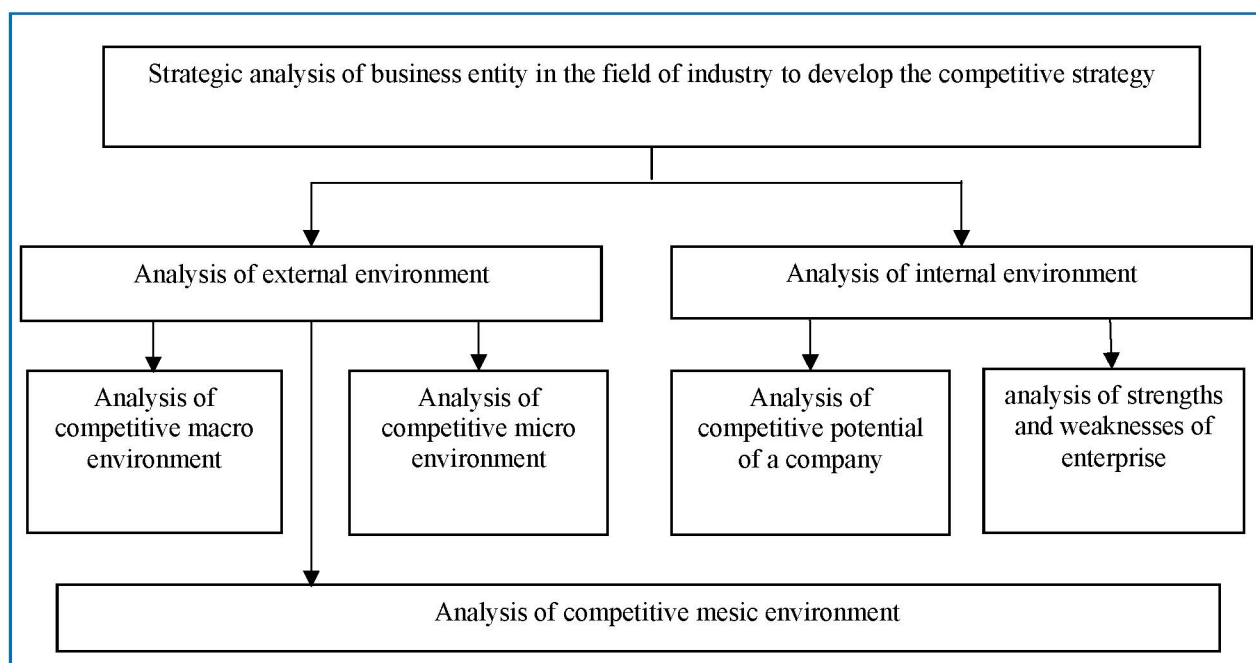
Note: reference [4, p.66]

Figure 1 – Stages of elaboration and introducing of the competitive strategy

The existing instruments and methods of analysis of business entity internal medium at preparation stage of the competitive strategy elaboration do not consider the estimation of the technology novelty used in industrial production, but are reflected in estimation of indirect factors, for instance in the policy of price competitive advantages at the moment of study, sales channels that might include for instance the production and promotion of goods included into the list of purchased under the national programs or preferential taxation (having tax preferences) programs etc.

The analysis and estimation of the internal micro environment assumes obligatory study and strategic analysis of competitive potential of business enterprise that includes the following:

- analysis of managing potential state;
- assessment of financial potential;
- analysis of market-production potential;
- analysis of innovative-investment potential;
- analysis of staff-social potential;
- analysis of strengths and weaknesses of business entity etc.



Note: reference [5, p.19]

Figure 2 – Specifics of strategic analysis of business entities in the field of industry

Figure 3 shows the strategic activities carried out while investigating the state of business entity internal environment used for elaboration of the competitive strategy.

If a range of manufactures do not assume to include high cost of past invention into the extension of manufacture and there is no expenses on R&D, the products have high price namely due to its past cost or expenses on its creation.

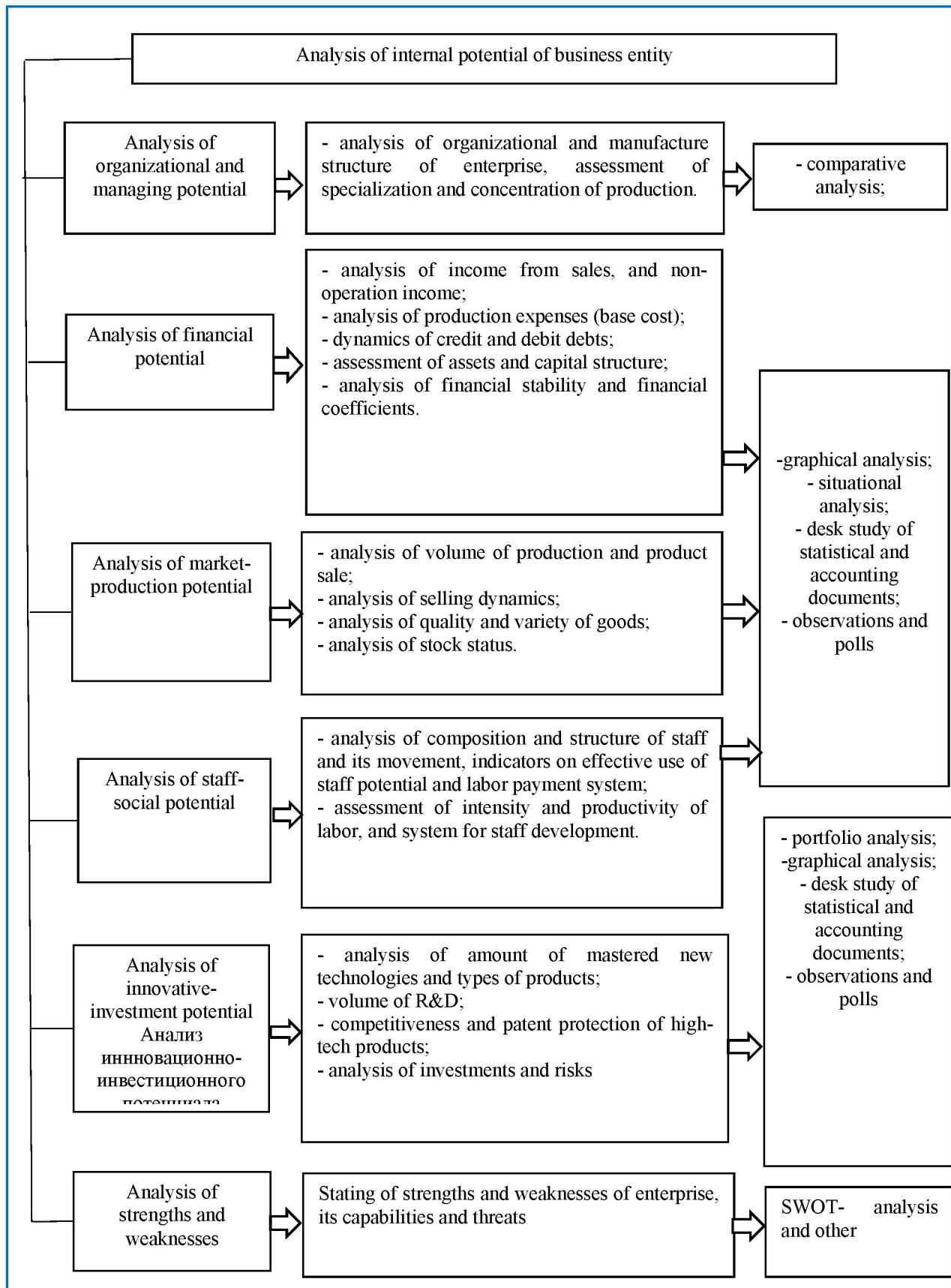
Thus, the analysis and assessment of internal macro environment of the industrial enterprise consists of six blocks that include analytical procedures to reveal the internal potential of enterprise.

When the competitive strategy is developed, after that there is a process of its introduction that should be implemented following a definite method. The method of the competitive strategy introduction represents a step-by-step guidance on implementing the set tasks. It includes the following stages:

- analysis of quantitative indicators (company growth rates, market share, volume of production and sales, net profit etc.);
- implementation of the planned activities under the market theory 7P. This implementation implies a plan having definite tasks distributed among individual subdivisions, appointed responsible persons with indication of deadline for completion and achievement of target indicators;
- financial plan – a budget necessary to implement the competitive strategy [6, p.61].

The competitive strategy of industrial enterprise is implemented during a definite period of time. When it is finished, it is necessary to analyze the results. The quality of the competitive strategy can be assessed by answering several questions:

- What was the reaction of competitors on the company's strategy?
- Did the planned activities provide the proper result?
- Were the set tasks implemented effectively and in time?
- What methods and ideas were the most successful/unsuccessful during the competitive strategy implementation?



Note: compiled by the author basing on reference [7, p.12]

Figure 3 – Analysis and assessment of internal micro environment of business entity

### **Conclusion.**

The most important component of successful functioning and improvement of competitiveness of industrial enterprise under the market conditions is elaboration of the competitive strategy. The competitive strategy, being an instrument to improve the competitiveness of industrial enterprise, allows the following: determine the current state of enterprise, reveal problems encountered by the enterprise during its functioning, select the ways for its solving and determine the trends of its further development. Moreover, the elaboration and implementation of the strategy allows determining the main market needs and extend the period of effective functioning of industrial enterprise.

While introducing the competitive strategy of industrial enterprise it is necessary to consider the situations when the strategy is not effective. In this case, it is necessary to make changes that result in correction of plan considering the tendencies existing in the market. Sometimes, it appears that during the strategy elaboration and at the beginning of its introduction the market situation changes, for example, there could appear new players that threat a company and won a definite part of the market. If nothing is undertaken during the next period, it is possible to fall behind even by competitive positions and loose the existing consumers.

When the introduced competitive strategy of industrial enterprise showed its effectiveness, it can be continued the next period. Nevertheless, it is still necessary to make analysis using available instruments and make corresponding corrections as the industry develops dynamically and dictates new requirements to companies.

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### **ӨНЕРКӘСІПТІК КӘСІПОРЫННЫҢ БӘСЕКЕЛІК СТРАТЕГИЯСЫН ӘЗІРЛЕУ ЖӘНЕ ІСКЕ АСЫРУ**

**Аннотация.** Мақалада өнеркәсіптік кәсіпорынның бәсекелік стратегиясын әзірлеу процесі толығымен сипатталып, кезеңдестірілген және оның негізгі қағидалары анықталған. Өнеркәсіптік кәсіпорынды стратегиялық талдау спецификасы ұсынылған, онда кәсіпорынның ішкі және сыртқы ортасын зерттеуге бағытталған стратегиялық іс-шаралардың жиынтығы көрсетілген. Авторлар стратегиялық іс-шараларды әзірлеу сызбасын ұсынған, онда өнеркәсіптік кәсіпорынның ішкі әлеуетін анықтау үшін талдамалық процедуралар жүргізу бойынша шараларды алты блокқа бөліп көрсеткен. Сонымен қатар, мақалада әзірленген бәсекелік стратегияны ендіру процесіне ерекше көңіл бөлініп, оны іске асыру бойынша кезеңдік әдістеме ұсынылған. Іске асырылған стратегияның тиімділігіне байланысты, өнеркәсіптік кәсіпорынның бәсекелік стратегиясын жаңғырту бойынша ары қарайғы әрекеттерді қабылдау жөнінде ұсыныстар жасалған.

Зерттеу ұйғарымдары бәсекелестік стратегиялар теориясын ары қарай дамыту үшін қолданылуы мүмкін. Зерттеу нәтижелерінің тәжірибелік қолданбалылығы оларды өнеркәсіптік кәсіпорынның бәсекеге қабілеттілігін бағалау және оның бәсекелік стратегиясын әзірлеу барысында қадамдық инструкция ретінде пайдалану мүмкіндігінде жатыр.

**Түйін сөздер:** бәсекеге қабілеттілік, бәсекелік стратегиялар, өнеркәсіптік кәсіпорын.

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### **РАЗРАБОТКА И РЕАЛИЗАЦИЯ КОНКУРЕНТНОЙ СТРАТЕГИИ ПРОМЫШЛЕННОГО ПРЕДПРИЯТИЯ**

**Аннотация.** В статье описывается процесс разработки конкурентной стратегии промышленного предприятия с его этапизацией и определением основных принципов. Представлена специфика стратегического анализа промышленного предприятия, включающая совокупность стратегических

мероприятий, направленных на исследование его внешней и внутренней среды. Авторами предложена схема разработки стратегических мероприятий, которая состоит из шести блоков, включающих проведение аналитических процедур для выявления внутреннего потенциала промышленного предприятия. Также в статье особое внимание уделено процессу внедрения разработанной конкурентной стратегии, предложена поэтапная методика ее реализации. В зависимости от эффективности реализованной стратегии, предложены меры по разработке дальнейших действий по обновлению конкурентной стратегии промышленного предприятия.

Выводы исследования могут быть использованы для дальнейшего развития теории конкурентных стратегий. Практическая применимость результатов исследования состоит в возможности их использования в качестве пошаговой инструкции в процессе оценки конкурентоспособности промышленного предприятия и разработки его конкурентной стратегии.

**Ключевые слова:** конкурентоспособность, конкурентные стратегии, промышленные предприятия.

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