

ACCOUNTING, ANALYSIS AND CONTROL  
РУБРИКА «УЧЕТ, АНАЛИЗ И КОНТРОЛЬ»

UDC 339.137.22

DOI: 10.18413/2409-1634-2015-1-4-20-26

Sergey V. Kupriyanov  
Margarita V. Dadalova  
Tatyana A. Dubrovina

ASSESSMENT OF THE INDUSTRIAL ENTERPRISES  
COMPETITIVENESS IN TERMS OF IMPORT PLACEMENT

- 1) Doctor of Economic Sciences, Professor, Head of Department of Management and Foreign Economic Activities Belgorod State Technological University named after V. G. Shukhov. 46 Kostyukov St., Belgorod, 308012, Russia
- 2) PhD in Economics, Associate Professor, Department of Marketing, Belgorod State Technological University named after V. G. Shukhov. 46 Kostyukov St., Belgorod, 308012, Russia. *margarita130466@rambler.ru*
- 3) Postgraduate Student, The Institute of Economics and Management, Belgorod State Technological University named after V. G. Shukhov. 46 Kostyukov St. Belgorod, 308012, Russia. *t.kos92@mail.ru*

**Abstract**

The article describes a method to estimate the industrial enterprises' competitiveness in the modern conditions of the import substitution policy's application by the governing bodies of the Russian Federation. In this paper, the authors consider the factors and principles of the enterprise's competitiveness. The authors have represented several approaches for the competitiveness assessment, and after that the most suitable one to assess the competitiveness of the industrial enterprises in the changing external environment, namely the application of the import substitution policy is chosen. For a detailed study of the concept of the «import substitution», the authors have reviewed the foreign countries' experience concerning the import substitution policy application. As a result, the advantages and disadvantages of this policy, and especially the impact on the national economy, have been found out. The authors have also taken into account the social component of the assessment of the company's competitiveness, which is currently one of the important indicators of industrial enterprises. The authors propose their mechanism of improving competitiveness of industrial enterprises in the conditions of import substitution.

**Keywords:** assessment of competitiveness; import substitution policies; industrial competitiveness; food embargo; National economy.

Куприянов С. В.  
Дадалова М. В.  
Дубровина Т. А.

ОЦЕНКА КОНКУРЕНТОСПОСОБНОСТИ ПРОМЫШЛЕННОГО  
ПРЕДПРИЯТИЯ В УСЛОВИЯХ ИМПОРТОЗАМЕЩЕНИЯ

- 1) зав. кафедрой менеджмента и внешнеэкономической деятельности, доктор экономических наук, профессор Белгородский государственный технологический университет им. В.Г. Шухова. Ул. Костюкова, 46 г. Белгород, 308012, Россия
- 2) кандидат экономических наук, доцент кафедры маркетинга, Белгородский государственный технологический университет им. В.Г. Шухова. Ул. Костюкова, 46 г. Белгород, 308012, Россия. *margarita130466@rambler.ru*
- 3) аспирантка института экономики и менеджмента. Белгородский государственный технологический университет им. В.Г. Шухова. Ул. Костюкова, 46 г. Белгород, 308012, Россия. *t.kos92@mail.ru*

**Аннотация**

Рассматривается способ оценки конкурентоспособности промышленного предприятия в современных условиях применения политики импортозамещения руководством Российской Федерации. Приведены факторы и принципы конкурентоспособности предприятия, а также приводится несколько подходов к оценке конкурентоспособности, после чего был выбран наиболее удобный для оценки конкурентоспособности

промышленного предприятия в условиях изменения внешней среды, а именно применение политики импортозамещения. Для подробного изучения понятия «импортозамещения», был рассмотрен опыт зарубежных стран применения политики импортозамещения, в ходе которого выяснилось плюсы и минусы данной политики, и особое влияние на национальную экономику, также учтена и социальная компонента оценки конкурентоспособности предприятия, что в настоящее время является одним из важных показателей промышленных предприятий. Также предлагается разработанный механизм повышения конкурентоспособности промышленного предприятия в условиях импортозамещения.

**Ключевые слова:** оценка конкурентоспособности; политика импортозамещения; конкурентоспособность промышленного предприятия; продовольственное эмбарго; национальная экономика.

**Introduction.** It is no longer a secret to anyone that one of the most important purposes of an enterprise is competitiveness in the branch market. There are many various ways of assessment of competitiveness for the industrial enterprise. Many great scientists worked on this question, including M. Porter, R. A. Fatkhutdinov, N.S. Yashyn, .S. Zavyalov, G. Antonov, Dan and many others. For increase of an assessment of competitiveness for the enterprise various techniques are used.

The main development stage of competitiveness is the market analysis and own opportunities on the basis of which the assessment of basic competitiveness level of the organization is carried out. It is the extremely important stage as further steps and decisions on strengthening or change of a firm competitive position will depend on degree of comprehensiveness and objectivity of this assessment.

The assessment of competitiveness can be carried out from various methodological positions.

In the modern world of continuous transformations, both macroeconomic, and microeconomic, it is necessary to agree with Dan's slogan "to remain competitive, the organization has to follow a way of continuous changes", adhering which it is possible to provide the enterprise with real competitiveness, as well as potential.

According to most of researchers, competitiveness of the enterprise substantially is defined by product competitiveness. As G. Antonov notes, "they correspond among themselves as part and whole". The concept of competitiveness of the enterprise is frequently reduce to the concept "ability to make competitive production". And it is fair as competitiveness of production is result of realization of potential factors in practice of the enterprise competitiveness.

Competitiveness of production acts as the relative and generalized characteristic of production including set of parameters – standard, quantitative

and qualitative, "rigid" and "soft" - from their definition and comparison point of view. It should be noted that the set of the parameters defining production competitiveness is rather stable for various type of production, but at the same time - depending on the situation in the market - their importance can change.

The first factor defining competitiveness of production, is its quality, i.e. set of the properties, production causing its ability to satisfy certain needs for specific conditions of consumption and operation.

The second factor has cost nature, it is defined by the acquisition price, including the consumption price. All expenses in operation which can arise at the consumer – delivery, installation, service and repair, spare parts, insurance and training of the personnel and etc. enter the last.

In general the level of production competitiveness depends both on its consumer properties, and on the price. The consumer properties of production falling on unit of the price including the consumption price are higher the real possibility of its sale and buyers gain is higher.

In the last three years import substitution has the great influence on competitiveness policy of domestic enterprises. To understand how there is an influence in more detail and, if to be more exact, decrease in competitiveness of domestic enterprises, authors studied concept of import substitution in more detail.

The problem of goods import substitution involves some more problems which need to be solved in parallel. After our country entered food embargo against some European Union countries, our market became focused on internal economy. It is clear, as the first problem of import substitution is: orientation of the industrial enterprises on domestic market that respectively conducts to the termination of the enterprise export policy. Of course, you should not claim that all industry of the Russian Federation is directed only on import substitution policy, but it is

necessary to consider also that fact that every quarter of import substituted production increases [16].

After March 20, 2014 the USA expanded the list of the Russian high-ranking public officials against which they imposed sanctions, and also imposed sanctions against Russia bank, and large Russian businessmen, considered having business relations with President V.V. Putin (G.N. Tymchenko A.R. and B.R. Rosenberg, Y.W. Kovalchuck). Later, on March 27 the USA suspended cooperation with Russia in the sphere of fighting against drugs, and also suspended export licenses issue to the American companies for Russia to guard against "potentially dangerous production" [15].

The orientation of domestic enterprises on import policy directly leads to decrease in competitiveness of the enterprise, and, therefore, there is a risk, as the products will become also low-quality, that will cause its low competitiveness.

Having studied foreign experience of import substitution policy, it is possible to draw a conclusion that when resorting to use of such policy, the following problems come to light:

1. Realization of the made production is directed only on internal economy.
2. Competitiveness of the enterprise decreases, as a result only monopolist firms stay afloat, and small and medium business disappear.
3. Decrease in efficiency of national economy.

The purpose of this work is studying the problem of import substitution for confectionery goods in the Belgorod region and offering the mechanism for development and increase of competitiveness of the industrial enterprise in modern economic conditions.

Many both Russian and foreign authors worked on the problem of import substitution: Altukhov A.I., Boev V. R., Klyukach of VA., Borkhunov H.A., Buzdalov I.N., Krylatyh E.N., Vodianov A.A., Gordeev A.B., Goncharov V.D., Kiselyov S. W., Korovkin V.P., Serkov A.F., Tarasov V. I., Ushachev I.G., Agirbov Y.I., Faminskog I.P., Hlebutin E.B., Shmelyov G. I. etc., Lindsey D.E., Dolan E.J., etc. [9].

Having investigated works of the listed scientists, it is possible to draw a conclusion that in them the mechanism of ensuring food security was developed, and also in their works methods of industrial domestic enterprises competitiveness increase that led to improvement of situation with food supply of the Russian population were developed [5].

Import substitution can be considered as one of the domestic industrial enterprise competitiveness increase mechanisms.

The environment of the Russian enterprises functioning which are especially connected with foreign economic activity differs in the growing uncertainty and turbulence. Filling the opening market niches, domestic enterprises increase use of capacities that leads to import substitution of goods. On one hand, such situation, promoting increase of the country economic security, causes increase at the enterprises of workplaces, growth of economic development indicators. On the other hand, decrease in level of competition from the foreign enterprises (in many respects because of them moving to a bonus segment) reduces need for continuous increase of production competitiveness level. However, in our opinion, exactly in present conditions the Russian companies should, using the opening market opportunities, conduct policy of competitiveness growth [13].

**Methods.** Competitiveness of the enterprise depends on the environment, both external, and internal. Some elements of external environment can partially be under control of the enterprise, and depend on the purposes and strategy of the enterprise. While other (internal) elements do not depend on any activity of the enterprise therefore it is necessary to adapt to them. All external environment can be divided into the following factors: nation-wide, regional and branch [8].

In order to receive a more detailed definition on how import substitution can increase competitiveness of the industrial enterprise, it is possible to create a mechanism. This mechanism pursues the main objective – increasing competitiveness of the industrial enterprise under conditions of response sanctions introduction. For achievement of this goal it is necessary to conduct a number of researches during which problems will come to light. Solutions of these problems are provided in a complex of actions described in the presented mechanism.

Ability of the industrial enterprise to correspond or exceed on any indicators of the competitors can be estimated by means of economic values. The main directions to management of enterprise competitiveness are involvement of new investors, resources, and also directly requirements satisfaction, and currently an important requirement is social and economic, in the form of the enterprise production. On condition of above-mentioned directions performance there is an opportunity to estimate an organizational and economic basis of the industrial enterprise.

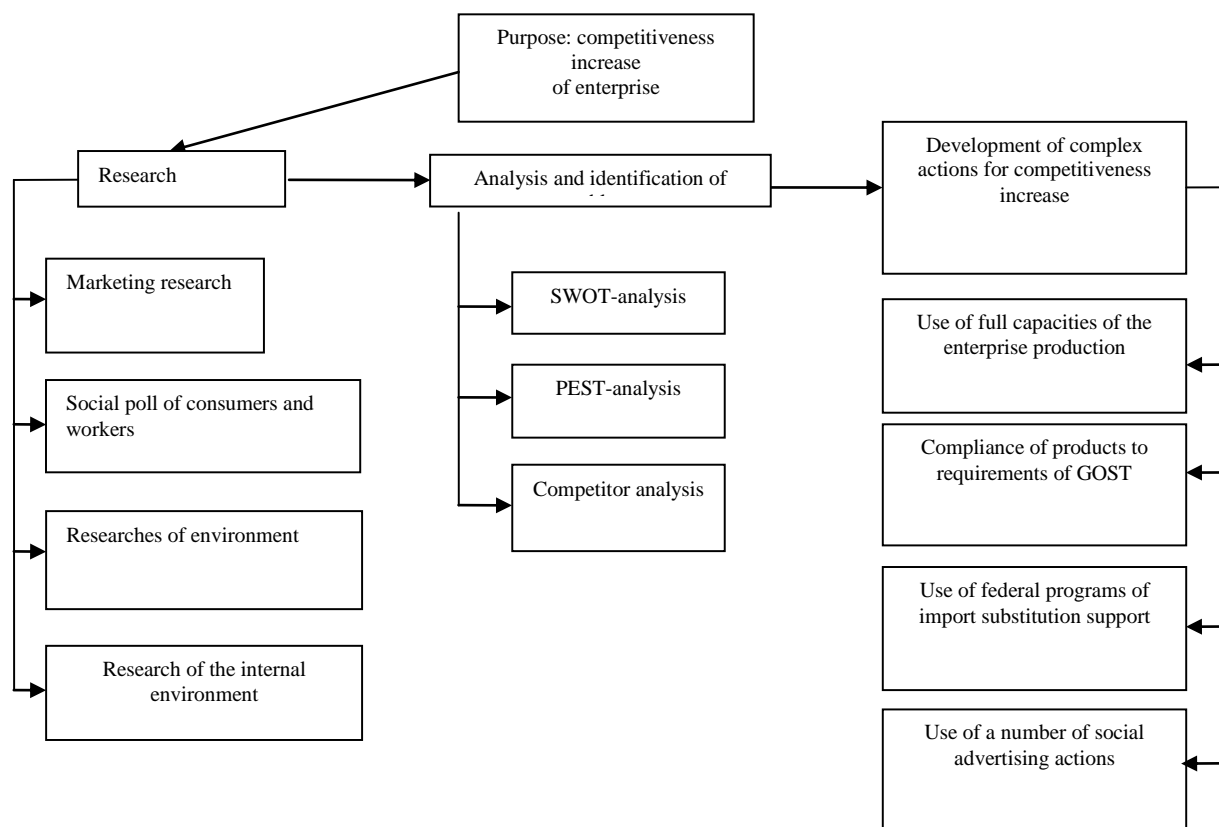


Fig. 1. The mechanism of improving competitiveness of an enterprise  
Рис. 1. Механизм повышения конкурентоспособности предприятия

The analysis of various information sources shows that market competitiveness of the enterprise is the resultant parameter of functioning of the company characterizing degree of the available resources comparative rationality use. It is also possible to consider competition the actions of two and more participants of the market aimed on mastering unique and limited factors of production which is available to all competitor companies at commission of certain efforts. Authors Mazilkin, E.I. and Panichkin, G.G. in their work: "Management of competitiveness" considered that competitiveness of the enterprise is a relative indicator which shows the extent of the enterprise exceeding the similar enterprises (the competitors) by certain characteristics. Such characteristics, for competitiveness determination of the enterprise, are: market capacity, position of the rival enterprises in this market, quality of the made goods, possibility of easy entry into the chosen market, etc. [9]. Research of a competitiveness measurement problem demands deeper analysis of the factors influencing total estimates.

The traditional approaches focused on receiving rather big economic results of activity by the

enterprise are presented. However in the conditions of economic interests setivization of the market subjects are interconnected which results in need of approach revision for competitiveness representation. Ability to reach multi third-party benefit becomes an important source of competitive advantage. In other words, the assessment of competitiveness of the enterprise needs to be conducted with assessment position of the enterprise as parts of a contact network [15]. This inevitably demands the accounting of social competitiveness under which we understand the characteristic of ability of the enterprise to show better, than competitors have, degree of requirements satisfaction not only for buyers, but also for workers, suppliers, shareholders, local communities. Effective work of labor unions, moral support of the enterprise employees, the carried-out charity events and actions which, eventually, lead to improvement of social and economic situation in the region of the enterprise presence can be an example of the enterprise social competitiveness.

It is interesting that the competition as social process starts being studied within economic sociology, in one of its directions – sociology of the

markets, developed by V. Radayev [10]. In the near future, it is possible to assume, competitiveness of the company will be estimated by one main indicator – coefficient of the enterprise social importance.

Proceeding from the given reasons, we suggest to count the integrated indicator of competitiveness (KSP) in which a component of social efficiency (SE) will be included:

$$KSP = \frac{\sum I_{KSPj}}{n} \cdot SE, \quad (1)$$

where  $I_{KSPj}$  – index of comparative competitiveness of the enterprise for  $j$  market parameter.

The coefficient of social efficiency is calculated by formula:

$$SE = \left( \frac{N_P}{N_R} + \frac{W_P}{W_R} + \frac{C_P}{C_R} + \dots \right) / n, \quad (2)$$

where  $N_P$  – quantity of the workplaces created on the enterprise during the period of assessment, people;

$N_R$  – quantity of the workplaces created in municipality where the enterprise functions, people;

$W_P$  – salary level at the enterprise during the period of assessment, rub;

$W_R$  – salary level in municipality where the enterprise functions, rub;

$C_P$  – the volume of funds allocated by the enterprise for the solution of social tasks during the period of assessment, rub;

$C_R$  – the volume of funds allocated for the solution of social tasks in municipality where the enterprise functions;

$n$  – number of comparative social efficiency indicators of the enterprise [14].

Use of the offered approach will increase objectivity of competitiveness assessment for the industrial enterprise and will allow to consider the role it plays in society.

**Main Part.** After introduction by the western countries of the sanction against the Russian Federation that led response sanctions in the form of food embargo, many Russian banks became more active to use policy of import-substituting branches crediting, such as food and agricultural. But there are also such branches in crediting with which the Russian banks began to pay smaller attention in comparison with last years [6]. The tourist sphere and the sphere of car market belong to such branches. In general it is possible to draw a conclusion that the policy of crediting was reoriented from one types of branches to others, in connection with changes in external economy. Data on change of priorities are provided by ITAR TASS; these data were received during market research in the form of bankers poll,

and also when studying the reporting under the international standards of the Russian Federation 50 largest banks. Some years the priority was given by banks to oil branch, metallurgy, financial sector and telecommunications, after introduction of economic sanctions and food embargo priorities changed [11].

Having analyzed situation in the Belgorod market, it is possible to see inconsiderable changes. The government of the Belgorod region made the decision, even long before introduction of economic sanctions against the Russian Federation by the western countries, on directing policy towards import substitution [2]. Due to foresight of the Belgorod deputies, the market of foodstuff of the Belgorod region is sated with large number of domestic production.

The Belgorod management made the decision on creating complexes of animal husbandry with high capacity. Therefore it is not surprising that our area is called "the meat capital of Russia".

The majority of such documents in the Belgorod region are accepted and successfully work. The agricultural branch of the region is ready to work under conditions of the imposed sanctions even today and to provide other regions of Russia with production of the Belgorod agricultural producers. According to statistics bodies, in 2013 the share of the Belgorod region in the all-Russian volume of the made production made 4.27%. Thus the region won sure first place on production of cattle and bird on slaughter in the live weight (12.3%) and on production of compound feeds (18%).

Within economic council the deputy mayor's meeting — the head of the department of economic development Vitaly Chekhunov with enterprise community of Belgorod took place. Participants discussed the questions connected with investment activity in the regional center and import substitution of production by Belgorod producers.

The deputy chief of department — the head of department of economic development Igor Rusinov - informed that the Belgorod region stays among the first ten regions with the smallest investment risks for many years. High level of investment appeal also shows Belgorod as the regional center [7].

Last year the sum of investments into fixed capital of the city exceeded 30 billion rubles. Growth of investments in chemical production, production of foodstuff, transport and communication, education is observed. The analysis of investments financing sources showed that their main part is made by own means of the Belgorod organizations. In 2013 their volume reached 13.9 billion rubles. The volume of the raised funds decreased by 7 billion rubles. In this

regard, Igor Rusinov emphasized, the import substitution program of production is of particular importance. In 2013 the sum of the consumer goods imported into area made more than 20 billion rubles. Among them dairy and meat products, soft drinks, confectionery, vegetable oil. Similar goods are made in the territory of Belgorod with success.

The opinion how to increase the volume of Belgorod production in the local markets, was stated by heads of the Belgorod dairy plant Raisa Kostomitskaya, JSC Kolos Igor Fatyanov, Belgorod confectionery Sergey Sirotenko, the Belgorod cold-storage facility Georgy Buziashvili. They called deficiency of qualitative raw materials, small volume of grants from regional and federal budgets among the major limiting factors.

The food aspect of modern social and economic social development found special reflection in the Rome declaration on the world food security. It contains the direct instruction on need to provide each citizen with the right for access the health safe and full-fledged food according to the right for adequate food.

As confectionery production is an integral part of modern consumers grocery portfolio, it is necessary that production conformed not only to requirements of management systems certification (TU, GOST, ISO 9001), but also to social aspects of society [12].

Today the Russian Federation needs new strategy of development – grocery and social – and, respectively, methodology of its development. Sharp change of social and economic and political goals causes negative influence, but can be an incitement to positive changes.

It is about theoretical and practical justification of such public policy in the field of production and sale which could provide satisfaction of consumers needs at the same opportunities of demand without decline in quality had the benefits – on one hand, and ensuring profitability of producers of the former import production – on another.

It is methodologically important that this policy cannot have purely market character, it will inevitably demand elements of strategic planning, arrangement of social accents, accounting of various interests, including, lower-income strata, and also small business. It would be illegal to form new economic policy on positions of blind market regulation and spontaneity. The matter is that such serious measures for transformation of economy structure are required now that producers will not cope with such multidimensional task.

Our conceptual approach in this question coincides in a certain measure with the Cologne school of economy, its concept of "a social market economy". The specified model is the main concept of the enterprise competitiveness increase that involves the main idea of the social market economy purpose.

Follows from this the concept that all forms of public economic policy, including technical, investment and innovative, have to be constructed taking into account social criteria and prime needs, in accordance with the normalized parameters of prices and tariffs, especially in some socially important branches. It does not mean cancellation of the internal competition which should be kept in the form of fight for the consumer – the range, quality, service and in other ways: partner marketing, PR means, as formation of the public relations. Development of such policy, it is possible to call it adaptation, will turn on the following blocks:

- 1) definition of need for replacement - by types of production, quality and price;
- 2) choice of the state support objects of the import substitution enterprises;
- 3) definition of forms and types of support - in general and specifically for various objects;
- 4) control, including monitoring, behind carrying out adaptation policy. Such concept combines social and economic targets, including subsidiarity, with simultaneous manifestation of collective initiative and responsibility, social partnership, economic, ecological and social regulation – with help and competition, and coordinated plans. Both public and private partnership, and innovative integration, both theory of clusters, and other organizational innovations is entered in this concept [3].

**Conclusion.** So, summing up the results of the done work, it is possible to draw a conclusion that the problem of foodstuff import substitution takes place to be not only in the regional markets, but also and in all of the Russian market. When studying this problem, some more problems of greater importance for economy of the Russian Federation come to light. They are: decrease in the competition in domestic market etc.; the mechanism of competitiveness increase for the industrial enterprise, taking into account all changes in foreign and domestic market of food and agricultural branch was developed for the solution of this problem. The following problem to which the policy of import substitution leads is a decrease in efficiency of national economy. The solution of this problem will be provided and considered in other works.

In this work aspects of ensuring management of the enterprise competitiveness are considered. The existing techniques of management and assessment of this economic category are also characterized. On the basis of the analysis of principles, approaches and factors of the enterprise competitiveness, it is possible to draw a conclusion that presently timely aspect of activity assessment of the businessman is social competitiveness. In case of applying at least some principles and approaches of social competitiveness growth of the enterprise reputation in the consumer opinion is observed; in our opinion, it is the main criterion of competitive advantage measurement.

### References

1. Banks of the RF have started to extend credits for the import-substituting branches of food industry and agriculture. URL: <http://www.zol.ru/znews/showlinks> (date of access: September 24, 2015).
2. Belykh, V.I.: Principles of Formation of the Competitiveness of the Automobile Transport Industries. Multidisciplinary Network Electronic Scientific Journal of the Kuban State Agrarian University. 2011. № 71. Pp. 414-424.
3. Bruneckiene, J. and Paltanaviciene, D. (2012). Measurement of Export Competitiveness of the Baltic States by Composite Index. English Economics, 23, 1, Pp. 50 - 62.
4. Farole, T. et al. (2010). Analyzing Trade Competitiveness: a Diagnostics Approach. Policy Research Working Paper. Fetscherin, I. and Johnson, J. (2010). Assessing the Export Competitiveness of Chinese Industries. Asian Business Management. 9, 3. Pp. 401-424.
5. Judzińska, A., Szczególska, M., Szczepaniak, I. Assessment of Competitiveness of the Main Sector of Polish Food Economy // IAFE-NRI, Warsaw. 2007.
6. Maksimchuk, E.V., Suvorova, A.A. Some Economic Aspects of Import Substitution // Bulletin of Belgorod State Technological University named after V.G Shukhov. 2014. № 6. Pp. 109-112.
7. Mazilkina, E.I., Panichkina, G.G. Management of Competitiveness. PH: Omega-L. 2009. 328 p.
8. Philip Cotler. Principles of Marketing. Translation from English by V.B. Bobrov. General Editing and an Introductory Article of E.M. Penkova. M.: PH. Progress, 2011. 496 p.
9. Radaev, V.V. Sociology of Markets: to the Formation of a New Direction. M.: NRU HSE, 2003. 325 p.
10. Rudichev, A.A., Nikitina, E.A., Gavrilovskaya S.P. The Main Aspects of the Preparation and Development of the Models for Assessing Competitiveness // Bulletin of Belgorod State Technological University named after V.G Shukhov. 2013. № 6. Pp. 137-140.
11. Sabonien, Transformation of the Lithuanian Economy: Dimension of Manufacturing // Econ. Manag. Vol. 16. 2011. Pp. 295–302.
12. Safiullin, M. R., Elshin, L. A., Shakirova, A. I. Positioning of Regions Based on Aggregate Index of Socio-Economic Attractiveness and Detection of Strategic References for Further Growth // Ekonomicheskii Bulletin of the Republic of Tatarstan. 2013. 2, 7.
13. Shchetinina, E.D., Dubrovin, T.A. Socio-Market Policy of the Confectionery Industry // Belgorod Economic Bulletin. 2014. №4(76). Pp.60-66.
14. Suchkova, N.A. Import Substitution in the Food Sector of Russia: Dissert. ... PhD in Economics: M. 2009. Pp. 57-59.
15. Szczepaniak, I. Assessment of the Changes in the Competitiveness of the Polish Food Producers after Align with the UE // IAFE-NRI, Warsaw. 2006: Multi-Annual Programme 2005-2009. Report 37.
16. Tokarev, A. N. The Innovative Development of the Oil and Gas Sector of Russia: The Strategy and the Tactics, the Prerequisites and the Effects. 2013. URL: <http://law.admtymen.ru/noframe/nic?d&nd=466201944> (date of access: September 30, 2013).