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# Organizational-economic mechanism of management of food industry enterprises competitiveness

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#### ABSTRACT

The article is devoted to the discussion of the peculiarities of the formation of organizational-economic mechanism of food industry enterprise management. Brief characteristics of social-economic environment of functioning the enterprises of the industry have been given for determining its desirable parameters. The characteristics of challenges to the competitive positions of Ukrainian enterprises in the connection with the country's entry to the "free trade" zone with the European Union have also been given. The authors consider the solving of the touched upon problem in the combination of competitiveness management functions and preventive anti-crisis management in the single mechanism. The structure of such mechanism has been suggested, and the characteristics of its components have been given.

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#### Introduction

Rapid events of the recent years have exceptionally great impact on the formation of business environment and social-economic situation in Ukraine. On the one hand, repeated devaluation of the national currency has taken place, which has lead to the impoverishment of the population (according to Doing Business rating, Ukraine is regarded as a country with the income lower than the average one [1]. Import dependence, the growth of tariffs on power sources have caused the sharp increase of the price general level, which could not be covered by the insignificant raising of social standards during the previous year [2].

These factors explain a considerable deformation of consumer spending within the groups of goods, in the first place, in favor of essential commodities. The results of the statistical data comparison characterize the situation in money expression. According to the State Statistical Service of Ukraine, the inflation index during 2014 rose by 24.8% on food products and beverages, while the volume of food products sold in retail trade rose only by 1.8% — from 177.83 billion hryvnias (UAH) to 181.06 billion UAH. For all that, the consumption of meat and dairy products decreased by 2–5%, canned and ready meat products — by 24%. In 2014, the index of food products' physical volume in the retail trade turnover of enterprises decreased by 4% in comparison to the previous

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year. The general losses of food products, beverages, and tobacco producers constituted 14.7 billion UAH [3].

It should also be mentioned, that the development of Ukrainian economy, on the whole, is restrained by the consequences of the military-political conflict in the East of the country, in particular, by: the reducing of investments, the necessity of looking for new foreign markets of selling, strengthening of fiscal load, and others. All these circumstances stipulate the deterioration of the market position of Ukrainian food industry enterprises during the recent years and in the near future.

On the other hand, strengthening of the influence on the state of food products' market as a result of Ukraine's entering the EU on the rights of the associative membership, and participating in the "free trade" zone should be expected in the middle- and long-term perspective. This influence can be accompanied by the processes, which characterize the potential challenges for the competitiveness of home food enterprises:

- the emergence of new players in all price segments of food products;
- the emergence of new (or the growth of the presence of functioning) corporations, into which agricultural enterprises and enterprises-food producers will be incorporated;
- the raising of consumers' demands to the quality of products;
- the raising of investors' demands to the quality of enterprise's management;
- the recognition of correspondence certificate to the ISO 9001 requirements which is the necessary term for the enterprises of the industry.

Taking into the account the complexity and many aspect character of the problem touched upon, we consider it necessary to structuralize scientifically the components of organizational-economic mechanism of competitiveness management, which would represent the steps of minimizing the negative influence of the above mentioned factors. We see the possibility of solving the problem of the enumerated threats in the integration of the separate functions of preventive anti-crisis management into the system of competitiveness management of food enterprises. Discussing the structure of such a model would assist in concentrating the efforts of management personnel on the determinants of competitive potential under the specific conditions of the concrete enterprise.

The general problems of the management of food enterprises' competitiveness have been described in the works by many scientists [4–7]. The problems of providing enterprise's competitiveness in the system of anti-crisis management have been also touched upon by many scientists. Doing justice to the predecessors' contribution, we would like to mention that in the majority of the existing scientific works the stress is made on the specific methods of anti-crisis management [8–15], which creates definite obstacles for their using by the developing enterprises.

That is why there is the necessity of discussing the ways of adapting the methodology of competitiveness management in modern conditions on the basis of distinguishing the methodological basis of preventive anti-crisis management. The theoretical basis of the functions' integration is the marketing conditions and consulting management in anti-crisis management.

#### Objectives and methods

Theoretical and methodological foundations of forming organizational-economic mechanism of competitiveness management are the object of the research. During the research the following scientific methods have been used: analysis and synthesis (for revealing the problems of forming the mechanism of providing competitiveness), theoretical search and abstract-logical (for the characteristics of the essence of competitiveness components), modeling (for constructing the model of organizational-economic mechanism of competitiveness management).

#### Results and analysis

Competitiveness management consists in using the methods of receiving and storing competitive advantages, providing the effective functioning and developing of the enterprise [16]. These activities concern practically all everyday business processes of the enterprise. In its turn, preventive anti-crisis management is a system of preventing enterprise's insolvency, the essence of which consists in the management of risks and crisis phenomena [17].

Unlike competitiveness management, anti-crisis management is held without detailed elaboration of separate measures of management strategy; its main attention is paid at planning of financial—economic activities for a long-term period. Their common ground is the focus of attention on the prevention of conditions (or adaptation to them), under which the enterprise would incur losses without definite measures. Besides, both management methodologies use the means of influence concerning both production and non-production spheres.

In view of the above stated, it is possible to single out the following directions of the applied usage of extended functions of organizational-economic mechanism management in financial—economic activities of the enterprise:

- providing the competitiveness of production, which presupposes quality management, the control over rational use of resources, strengthening of market positions, investigating promising markets;
- providing the influence of competitiveness management policy on enterprise management, in particular, in implementation of such functions as planning, motivation, control, accounting;
- submission to the aims of competitiveness management on all the stages of the projects, implemented at the enterprise.

Introducing the policy of competitiveness management on these directions is to provide uniting the efforts of all subdivisions and officials, raise the degree of manageability of

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