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**BENCHMARKING AS A TOOL TO INCREASE
THE COMPETITIVENESS OF ENTERPRISES**

In the market conditions of providing economic services and increasing the competitiveness of business structures becomes an indispensable prerequisite for their functioning. For this purpose, entrepreneurs need to be guided by constant changes in the external environment and constantly improve the efficiency of their economic activity, improve the process of management in the enterprise, use new approaches, methods and tools for determining the level of their competitiveness. Benchmarking is one of these tools.

The most generalized competitiveness of an enterprise can be defined as the potential or realized ability of an economic entity to effectively long-term functioning in a relevant external environment. Competitiveness of the enterprise is based on competitive advantages; determines the ability of an enterprise to withstand competition in a particular market; reflects the position of this enterprise with respect to competitors [1, p. 330]. Therefore, determining the level of competitiveness is a very important task today. The assessment of the company competitive status is based on determining the level of strategic potential of the firm at each stage of its life cycle, its competitive advantage, as well as the influence of the determinants of the «national rum» and the combined effect of internal and external factors.

One of the most recent and cutting-edge approaches to determining competitiveness is the benchmarking method. Benchmarking is successfully used in the practice of Japanese, American, Western European and Scandinavian businessmen and scientists [2, p. 372]. The largest companies in the international arena that develop benchmarking strategies are «Wal-Mart-Stores» (USA), «General Motors» (USA), «British Petroleum» (Great Britain), «Daymer-crysler» (Germany), «Royal Dutch Shell», (Great Britain), «General Electric» (USA), «Toyota Motor» Japan [3, p. 99].

The concept of benchmarking – level, height and «mark» – the mark – the reference mark, the height marker, the reference time, the benchmarking, the expert standard, used as a control point, first appeared in 1972 at the Institute of Strategic Planning Cambridge [4, p. 65]. Large corporations that successfully use the benchmarking technique in their activities provide such definitions as the process of scrutinizing performance versus the best in their industry, using the results to meet and outperform them (Kaiser Associates); the standard of excellence or achievement, compared with

which the relevant indicators (DuPont Fibers) are evaluated; Looking for industry examples of best practice (Xerox) [5]. Jason Grayson Jr., Chair of International Benchmarking Clearinghouse, highlights such reasons for the popularity of benchmarking at the present stage as global competition; quality remuneration (leading firms are the quality markets); the need for constant adaptation and use of world achievements in the field of business technologies [3, p. 99].

For most companies benchmarking is not new because it was carried out within the framework of competitive analysis, although benchmarking itself is a more detailed, formalized and orderly function than the competitive analysis approach [2, p. 375]. At first glance, benchmarking may seem like a competitive analysis, although in reality there are significant differences between them (Table. 1).

Table 1. Comparison of benchmarking and competitive analysis

Parameters	Competitive analysis	benchmarking
General purpose	Analysis of competitor strategy	Analysis of advantages of competitors and enterprises-leaders of other industries
Subject of study	Competition strategy	Methods of doing business, that bring customers over to satisfaction of necessities
Main constraints	Limited to a particular industry or market	Not limited
Task for decision making	Essential	Very large

Benchmarking develops a competitiveness analysis that is limited to the study of competitors, their products, costs and technologies, characteristics, economic and financial performance, relationships with customers and suppliers. The analysis of competitiveness allows us to identify the differences between competitors, but this does not explain how to redistribute these differences and win the best positions in business. This is facilitated by benchmarking, which is based on the comparison and analysis of the process of work aimed at understanding the causes of differences in order to overcome these differences [5]. The main content and purpose of the benchmarking is to identify the differences with the comparable analogue (benchmark), to identify the causes of these differences, and to identify opportunities for improving benchmarking objects [6].

Objects of benchmarking can be methods, processes, technologies, qualitative parameters of production, indicators of financial and economic activity of the enterprise (structural units). With this tool, you can determine the target parameters of the enterprise, which must be adhered to in order to ensure its stable competitiveness [6]. The main objectives of benchmarking include the determining competitiveness of the company and its weaknesses; awareness of the need for change; ideas for a fundamental

improvement in business processes; identifying best practices for companies of this type; development of innovative approaches to improving business processes; assistance in setting long-term performance targets, which are much higher than the current ones; the development of new activities for the purpose of improving the efficiency and quality of services provided; reorienting corporate culture and mentality [2, p. 374].

Thus, the problem of increasing the competitiveness of an enterprise requires systematic management decisions. Benchmarking today is an extremely useful tool that makes it possible to compare performance indicators, provides an opportunity to understand the strengths and weaknesses of an enterprise compared with its competitors and world leaders in the industry, to identify the main factors for their success and, based on its results, to develop and adopt appropriate management decisions regarding further sustainable development of a business entity in a dynamic external environment. The result of benchmarking at the enterprise is an increase in the efficiency and rationality of business processes; increasing productivity and quality of services; increase competitiveness; increasing the effectiveness of marketing activities; improved capacity utilization; improving the quality and efficiency of management; faster and optimal management decisions making.

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