

Kukharuk A.,

Cand. Sci. (Econ), Associate professor,
National Technical University of Ukraine
“Igor Sikorsky Kyiv Polytechnic Institute”, Kyiv, Ukraine

COMPETITION 4.0: THE NEW AGE OF BUSINESS TRANSFORMATION

A competition is the rivalry between economic subjects selling (exporting) similar products and services with the goal of achieving revenue (domestic income) and market share growth. This is a core of the success or failure of a particular economic system. A competition may exist not only between companies. It may also exist between countries (the global competition); products (to reach a consumer’s “basket”); proactive and reactive business models; ideas or projects (for better funding); people (at the labor market); people and machines (in the new age of automation and digitalization of many business processes).

Today, as many years ago, an important component of commercial success is the value created. However, the system of factors influencing the value created is becoming wider. The ratio of the costs of the main activity and the supporting activity comes to the fore.

In Ukraine, the Association of Industrial Automation has been developing the ideas of Fourth industrial revolution. The Industry 4.0 development strategy [1] has been introduced. This document says that Industry 4.0 requires working industry itself, as well as explains the connection between the manufacturing development, demand on the technologies and technological potential. The Fig.1 shows the place of the technological potential in the system of achieving the international competitiveness.

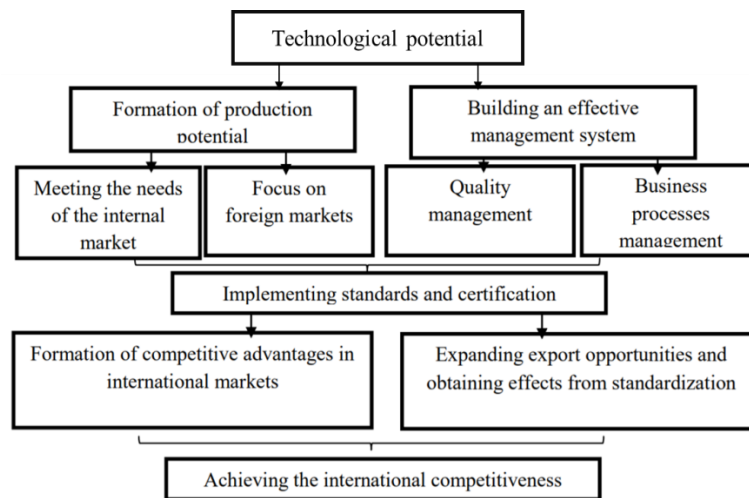


Figure 1. A technological potential as a factor of business competitiveness

Source: developed by the author based on [4].

As it shown at the Fig. 1, the mentioned potential has a significant impact. It has been placed in the top of a complicated process with a valuable result – an international competitiveness. As it is mentioned, standards play a significant role in this process because the raw materials and products must meet the requirements of the international market. The international organization ISO has prescribed a total of about two thousand international production standards, the most common of which are ISO 9001, ISO 22000, and ISO 14000. For the company such standards are useful primarily because a necessary condition for their implementation is the structuring of each production stage. Thus, by structuring its work, the company not only improves its efficiency, but also can anticipate and track errors or shortages in products.

According to the Digital Agenda for Ukraine [2], and [3] standardization is the basis of digitalization in Ukraine. Standards allow reducing costs, improving the quality, maintaining the production, and increasing the GDP. The development and use of open, interoperable non-discriminatory standards are basic components of the development and dissemination of digital technologies.

Thus, in the conditions of digital transformation of Ukraine, the formation of the competitiveness of enterprises should take place based on the standardization of production and technological potential. At the same time, an important condition for the development of the country's economic system is the possibility of economic harmonization of industrial enterprises providing the improving the competitive position of enterprises in high-tech markets on the principles of sustainable production. This causes the need to research ways of the harmonization of the economic interests of industrial enterprises,

economic and environmental mechanisms of the country, and needs of the society. Therefore, a promising area of research is a generalization of «harmonic» production factors, minimization of environmental damage in terms of digitalization and technologicalization of production processes for sustainable social development.

REFERENCES:

1. Association of Industrial Automation of Ukraine. Industry 4.0 development strategy. 78 p. <https://mautic.appau.org.ua/asset/42:strategia-rozvitku-4-0-v3pdf>.
2. Kubiv, S., Minich, O. et al. (2016). Digital Agenda for Ukraine. Priority areas, initiatives, "digitization" projects Of Ukraine until 2020. 90 p. Retrieved from: <https://ucci.org.ua/uploads/files/58e78ee3c3922.pdf>.
3. Fishchuk, V., Matyushko, V., Chernev, Ye., Yurchak, A., Lavrik, J. and Amelin, A. (2019). Ukraine 2030E - a country with a developed digital economy. Retrieved from: <https://strategy.uifuture.org/kraina-z-rozvinutoyu-cifrovoyu-ekonomikoyu.html>.
4. Zmitrovych, D. and Kukharuk, A. (2020). Standardization as a tool to impact the international competitiveness of manufacturing enterprises. Economic bulletin of NTUU KPI. Vol. 17. pp. 228-238.

