

systems, rational use of natural resources. 2011. the government has allocated more than £ 200 million to create a network of technology and innovation centers for the development of high-tech industries. is still focused on stimulating small businesses. The ambitious goal is set: to increase the export by half to 1 trillion pounds by 2020. To solve this problem, it is proposed to expand financial opportunities and intensify the activities of the Export Credit Guarantee Department. Assistance is provided for the entry of small and medium-sized firms into the foreign market. A more favorable economic climate for foreign direct investment is being created. Considerable attention is paid to attracting funds from sovereign funds of developing countries, in particular, China.

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## BUSINESS COMPETITIVENESS

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Securing national business competitive power is the problem which both business representatives and government authorities are in search of the solution to. First and foremost companies tend to consolidate their positions and secure competitive edges of their products and their concrete enterprise. However in case of potential or real threat to their competitive ability concerns the interests of the whole branch, the companies often pass to industry-wide level and work out corporate actions in order to consolidate the positions of the whole economy sector. Speaking of a national competitive ability of a state, first and foremost, means competitive ability of national economy in whole, understanding that for that end there is a need for competitive branches, enterprises and products.

The term "competitive ability" during the last 20 years became rather actual because a great number of new states entered the circle of the world economy so economical competition among countries has strengthened. Revelation of national markets, lowering of trade barriers, globalization and internationalization processes

as a whole led to that sort of aggravation of competition, so in actual fact none of a company in the world can be sure in its tomorrow.

The actuality and complexity of the problem can be confirmed by the fact that the questions of competitive ability are considered by economists of different specializations and are set out in various economic disciplines.

Thus, competitive goods is mainly marketing field of research, which educate essential consumer qualities and terms of goods proposal in the market with a view to ensuring great demand for it.

The leading researchers in this field consider market share and profitability as the basic criteria. The positive dynamics of these rates in the longer term mean that the product of a company finds a market, i.e. it is competitive, that the branch wherein the firm is functioning is consolidating on domestic or foreign markets, that it contributes to national economy by way of work positions, taxes, levies and other payments.

The most complete system of sources of competitive advantage of a company was suggested by an English scientist in the field of strategic management R. Grant. One of the approaches he proposed lies in separation of inner and external sources.

The strategy generation on changes of external environment first of all requires of external factors classification exercise. Here we can start from the immediate business environment: competitors, consumers, suppliers.

Changes in consumer behavior can be connected with descent of shopping ability, with appearance of more cheap and/or qualitative substitutes, competitor's new advertising campaign etc. Each concrete situation needs its own approach. For example, the Dutch company Schick found an effective marketing decision when capturing the Japanese market, a manufacturer of shaving blades, at struggle with the world leader Gillette. The Dutch made accent on adaptation and took up 62%. They changed their name involved a Japanese actor.

Competitors' actions can be unrespectable. By all means business external environment is the most important base for searching for competitive advantages. Yet, regardless of all the possibilities of a firm concerning analysis and taking up timely measures while changing the external environment, in some instances all these efforts will be just ineffective.

First of all it concerns the situation when substitute goods and services appear. Now we can see Nokia loses its position and iPad Apple comes to the front. It is not a surprise for everybody that during the last two years Apple in particular became the most expensive brand, though just three years ago, in 2009, Apple was in the second ten and Nokia took the 5th place.

The most important modern characteristics of quality of the inner environment of a company – is availability of knowledge. Knowledge, created all alone or obtained by a firm, which allow to predict changes, create innovations and take correct strategic decisions give the very same competitive advantage a firm is holding out for.

At the present time the most effective tools of business reaction to the dynamics of external environment factors or its forced change are cooperation of firms and merge. These two strategies of external growth are widely used in business and give a range of advantages necessary for consolidation and leadership on the market. In recent times factors of internal environment of a company play the decisive role among external and internal sources of competitive ability. Quality and diversity of recourses and business processes, a company's ability to create knowledge and innovations determine the quickness and effectiveness of reaction as for changes in external environment. Strategic leadership, as a new organization management style in the 21st century wherein management direct all human recourses of a company to creation of knowledge and innovations, has the most important meaning in management of internal environment. And it results in business cost increase, market share and level of profitability as the basic indexes of a company's competitive ability.

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