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## KEY SUCCESS FACTORS IN THE COMPETITION

**Abstract:** The article discusses the issues of the company's commodity-market strategy. The strengths and weaknesses of the company are analyzed to ensure success factors.

**Key words:** commodity-market mechanism, professionalism, key success factors, CFU, characteristics of the company, infrastructure, strategy of the company.

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### Introduction

To identify threats and opportunities of the external environment for the company, it is necessary to analyze the factors of the internal environment to determine the strengths and weaknesses of the company. Information about the factors of the internal environment includes data on the company's commodity-market strategy; marketing strategy; the company's products, its pricing policy, sales channels, advertising and other means of promoting goods to the market. In addition, the main indicators of the company's activity include its financial potential, internal culture, personnel, employee interest in the effective operation of the company, motivation of the company, experience, education, organizational structure of the company.

Knowledge of the state of the company's production and sales potential and the availability of information technology is an important problem in the analysis of the company's work.

The strengths of the firm include such internal factors that give advantages in the competitive struggle. These include: high quality of goods, high

professionalism of employees, flexible pricing policy, effective advertising, good sales network, strong financial potential of the company, etc. [1].

Among the strengths, it is important to identify key success factors (CFCs) which play an important role in the company's activities. As you know, the CFU determines the strengths of the company, which reveal advantages that are difficult to achieve for competitors. CFU defines the strengths of the company. Thus, high quality of the product, flexible pricing policy, timely delivery, good business relations with partners, etc. are the strengths of the company in a competitive environment.

As the analysis showed, a firm's strength may not be a key success factor if competitors have or can do the same. So, if a firm is leading in the market, then it has a great advantage in costs, inaccessible to competitors, and if it pursues a flexible pricing policy, then such a policy can be considered as a CFU. If the pricing policy of the company is flexible enough, then this is the strength of the company. Thus, the CFU, with the right marketing program, should inspire and attract buyers, highlight the company's offer against

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the background of offers from other companies. So, the Japanese at one time focused on high quality products, significantly ahead of their competitors in this. This allowed them to become leaders in global marketing.

CFCs can be considered as: excellence in innovation policy; production of materials that have no analogues and are of high value to consumers, or exclusive rights to sell such materials, etc. [2]. Firms should pay serious attention to CFU when developing strategies and plans; when solving current problems, since the competitiveness of the firm largely depends on this.

Unfortunately, often the directors of firms, actually possessing CFCs, poorly use them in their activities. In order to properly allocate and use CFCs, it is necessary to determine what consumers want; find out what competitors are doing; decide what the company needs to do, taking into account its goals and resources [3].

This can be solved by using the following measures:

- Identify customer requirements and rank them by priority;
- Find out what competitors are doing to meet these requirements;
- Determine where there is a discrepancy between the requirements of consumers and the offers of competitors;
- Decide whether the company's goods (services) cover these inconsistencies (if yes, the company has real competitive advantages, if not, the company has no real competitive advantages);
- Determine how strong these advantages are (i.e., how valuable they are for consumers and how quickly and easily competitors can use them), whether the company will be able to protect its advantages;
- How can the advantages of the company be emphasized in the promotion and sales programs of the goods;
- Determine the company's position in the field of research, development, production and marketing of goods, as well as to consider the company's position for the realization of existing and potential competitive advantages, as well as to determine the list of necessary resources it will require.

Weaknesses include internal factors that make the firm weaker than its competitors. For example: small financial potential, low professional level and poor motivation of staff, small size of the company

compared to its main competitors, higher prices for manufactured goods, weak advertising, etc. The key success factors (CFI) of the company are a list of system elements, the implementation of which can provide the company with a significant economic effect as a result of commercial activities in the target market in a certain industry.

The composition of the CFU largely depends on the target market in which this company operates, as well as on the competitive strategy adopted by it. The economic importance of each individual CFU for the company is not the same and they are changeable over time. It is necessary to rationalize and automate those basic business processes, on the effectiveness of which the commercial success of the company directly and mainly depends. The key success factors of the company determine the competitive strategy, goals and objectives of its activities.

CFCs of a general nature include [4]:

- Competitive strategy adopted for execution;
- Properties of goods on the basis of which consumers choose a particular brand for the supplier;
- Investments attracted to the production sector that are necessary in terms of volume, ensuring that the company wins the competition in the target market;
- Professionalism and practical experience of managers and performers, ensuring a sufficiently high level of labor productivity;
- Most effective ways of market behavior that create a sustainable and long-term strategic competitive advantage.

M. Porter identifies five most typical innovations that give a competitive advantage as key success factors [5];

- New technologies;
- New or changed customer requests;
- Emergence of a new market segment;
- Changes in the cost or availability of production components;
- changing government regulation.

Key success factors specific to each target market (industry of the national economy), these are consumer properties of the product, accumulated practical business experience, professional knowledge, competitive opportunities and commercial success.

In other words, everything that increases the level of profitability (efficiency of functioning) of the company belongs to the CFU.

**Table 1.**

FIELD OF ACTIVITY	NAME OF FACTORS
<b>Production</b>	<ul style="list-style-type: none"> <li>• Low cost of production (economies of scale).</li> <li>• High quality products (low scrap, reduced need for repair, maintenance, etc.).</li> <li>• Intensive use of fixed assets.</li> </ul> (Very important in capital-intensive industries).

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	<ul style="list-style-type: none"> <li>• Profitable location of the enterprise (savings on the costs of transportation of goods, raw materials, materials, etc.).</li> <li>• Constant influx of qualified personnel (ensured by proximity to large educational centers).</li> <li>• High productivity (important for industries requiring significant labor resources).</li> <li>• Lower production costs (low design and product design costs).</li> <li>• Ability to make goods to order. (possibility of additional profit)</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>• Fast and convenient technical support.</li> <li>• High level of customer service.</li> <li>• Accurate fulfillment of customer orders (few returns and errors).</li> <li>• A wide range of assortment groups (types) of goods</li> <li>• Highly qualified sales staff.</li> <li>• Attractive design (packaging).</li> <li>• Warranties for buyers. (especially in catalog trading, e-commerce, the sale of expensive and new goods).</li> <li>• Highly effective advertising.</li> <li>• Effective marketing communications.</li> <li>• Discipline and self-control.</li> </ul>
<b>Sale</b>	<ul style="list-style-type: none"> <li>• Wide network of wholesale distributors (dealers).</li> <li>• Extensive access to retail locations (proximity to these points).</li> <li>• A well-developed system of own retail outlets.</li> <li>• Low sales costs.</li> <li>• Accurate fulfillment of customer orders (just-in-time method).</li> <li>• Quick delivery to the buyer.</li> <li>• Reasonable prices for goods (services).</li> <li>• Share of the target market won.</li> <li>• Relative market share (equal to the market share of the company divided by the market share of the most dangerous competitor).</li> <li>• Favorable location of points of sale (especially in retail).</li> <li>• Benevolence of all employees in contact with consumers.</li> </ul>
<b>Technologies</b>	<ul style="list-style-type: none"> <li>• Quality of scientific research (especially important in pharmaceuticals, medicine, space and other high-tech industries).</li> <li>• Innovation in the manufacturing process.</li> <li>• Development of new products on a systematic basis.</li> <li>• Mastering modern technologies.</li> <li>• Use of the Internet for commercial activities.</li> </ul>
<b>Professional preparation</b>	<ul style="list-style-type: none"> <li>• High professionalism of employees (especially in the provision of financial and banking services).</li> <li>• Know-how in product quality control.</li> <li>• Design prowess (especially in the high fashion and clothing industries; in addition, this is one of the factors in reducing production costs).</li> <li>• Extensive practical experience in a specific technology area.</li> <li>• Relatively fast introduction of new products into production.</li> </ul>
<b>Organizational capabilities</b>	<ul style="list-style-type: none"> <li>• Use of business process reengineering (which implies a major redesign of these processes).</li> <li>• Advanced Information Systems. (especially in air travel, car rental, credit card issue, hotel business, etc.).</li> <li>• Quick reaction to market change. (established process of making operational management decisions, rapid introduction of new goods to the market).</li> <li>• Using the Internet for business (commerce).</li> <li>• Quality management (provided by attracting highly professional employees).</li> <li>• Quickly update the product range and respond quickly to new customer requirements.</li> <li>• Development of innovative and modernization of existing products.</li> <li>• Successful logistics organization. (by selecting the most efficient vehicles and optimal delivery routes).</li> </ul>

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	<ul style="list-style-type: none"> <li>• Introduction of highly efficient innovative venture capital (high-risk) projects with high economic efficiency.</li> <li>• Quality management (provided by attracting highly professional employees).</li> <li>• Quickly update the product range and respond quickly to new customer requirements.</li> <li>• Development of innovative and modernization of existing products.</li> <li>• Successful logistics organization. (by selecting the most efficient vehicles and optimal delivery routes).</li> <li>• Implementation of highly efficient innovative venture capital (high-risk) projects with high cost efficiency of implementation.</li> <li>• Implementation of a system of universal quality management.</li> <li>• Insurance of various types of risks.</li> <li>• Economic security of entrepreneurship (due to the creation of special structures in the enterprise management system).</li> <li>• Access to financial markets (especially for young companies).</li> <li>• Patent protection.</li> </ul>
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The potential for value creation in many businesses is provided by the use of new knowledge, system innovations and services of specialized

enterprises (organizations). The above classification of CFCs can be supplemented with new factors (Table 2)

**Table 2. ADDITIONAL RECOMMENDED KEY FACTORS COMPETITIVE SUCCESS [7]**

<b>FIELD OF ACTIVITY</b>	<b>FACTOR NAME</b>
<b>Organizational</b>	<ul style="list-style-type: none"> <li>• Continuous professional development of employees.</li> <li>• Effective change management across the enterprise.</li> <li>• Benchmarking.</li> <li>• Outsourcing.</li> <li>• Production leasing.</li> <li>• leasing of personals.</li> <li>• Controlling.</li> <li>• Strategic alliances.</li> <li>• Coaching.</li> <li>• Merchandising.</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• Brand name.</li> <li>• Product design.</li> <li>• Brand.</li> <li>• Operational Brand Support.</li> <li>• Location of the outlet (store).</li> <li>• Distribution form.</li> <li>• Personnel qualification.</li> <li>• Established permanent and loyal customer base.</li> <li>• Good reputation (goodwill) of the company among buyers</li> <li>• Public Relations (PR).</li> </ul>
<b>Information providing</b>	<ul style="list-style-type: none"> <li>• Modern Information Technology.</li> <li>• Production Management Information Systems.</li> <li>• Competition Management Information Systems.</li> <li>• HR Management Information Systems potential.</li> </ul>

Strategic alliances, as a rule, ensure that businesses achieve the declared strategic goals, while maintaining the necessary flexibility and adaptability due to the possible rapid change of partners. If a corporate competitive strategy requires certainty for the long term, then such alliances may be too informal. In this case, joint ventures, mergers and acquisitions look economically more preferable.

Considering the critical importance of the bankruptcy prevention strategy for the company's continued existence in the target market, we have considered modern forecasting techniques that can prevent the occurrence of a bankruptcy situation [8].

- Main indicators of the company's competitiveness;
- Main technical and economic indicators of the company over the past five years and for the planned

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period, a brief description of the main production assets, the structure of the capital used, the level of qualification of personnel at the company;

- Basic principles, as well as methods applied in the company's management system;
- Facts confirming the reliability of the company's presence in the target market, legal and financial guarantees.

We consider it advisable to analyze the characteristics of the company to disclose the following questions [9]:

- Company's mission objectives;
- Accepted legal form;
- Established ties with the external environment, reputable partners, companies;
- Organizational structure of the company;
- Characteristics of manufactured goods, level of their competitiveness in the target market and in its segments;
- Key economic and financial performance indicators achieved, as well as future plans.

And the company's marketing strategy should include information related to [10]:

- Strategic marketing concepts applied by the firm;
- Composition of the main functions performed by the marketing department;
- Applied technology and achieved results of strategic segmentation of the target market;
- Adopted strategy for pricing and forecasting of commodity prices;
- Strategies for market capture (penetration into new markets);
- Strategies for developing new types of goods;
- Choosing a cost-effective resource strategy;
- Selection of distribution methods in the market of goods;
- Strategies to generate demand and stimulate the sale of goods;
- Choosing a strategy for advertising goods;
- Choosing a long-term strategy for the development of the company;
- Planned standards of competitiveness of goods.

The company's competitive advantage strategy should include the following results [11]:

- Analysis of possible impact of macro- and microenvironment factors;
- Analysis of the state of equipment and applied technology, organization of production, personnel potential, quality of management;
- Analysis of the Marketing Strategy section;
- identify the competitive advantages of the firm;
- justifying the choice and use of strategic factors that determine the competitive advantages of the company.

The strategy for updating the nomenclature of the company's products should be reflected [12]:

- Results of expert review of marketing strategy;

- Formulated strategy for improving the quality of goods;

- Developed resource saving strategy at the company;

- Forecast of the main indicators of the competitiveness of the company's goods, as well as its main competitors;

- Scientific principles, methods, technologies that were applied in the development of a strategy for updating the products produced by the company;

- Feasibility study of investment projects.

The competitive strategy for production development should reflect [13]:

- Results of analysis of the organizational and technical level of production;

- Results of analysis of the achieved level of social protection of the company's staff;

- Results of analysis of the company's activities in the field of environmental protection;

- Results of analysis of the competitive strategy for production development adopted for use;

- Results of the economic justification of the forecasts made.

We consider it expedient to pay attention to the strategy of providing production with resources, where the following issues should be covered [14]:

- Analysis of the quality of methodological, informational, resource, legal support of production and identification of bottlenecks, organization of ensuring production with everything necessary;

- Establishment of economically most profitable links with suppliers of resources, information, documents;

- Development of a new strategy for ensuring production with regulatory and methodological documents, all types of resources, information;

- Feasibility study and coordination of measures to implement a new production strategy.

In large firms in the West, great attention is paid to staffing of human resources. The concept of human capital has come into use, which means the necessary and sufficient modern knowledge, skills and skills of a person, contributing to a significant increase in his productivity, and therefore earnings.

A number of economists define the concept of human capital as a combination of hereditary and acquired physical, as well as spiritual qualities and properties of a person, which can be used for a certain period for the production of goods and the provision of services, as well as in the ability to provide their owner with a fairly high income. Therefore, modern production is the interaction of human and physical capital services, resulting in everyone earning an income on their own capital.

In order to most fully meet the needs of firms in human resources, personnel agencies of lessors appeared, which are engaged in leasing personnel. The concept of personnel leasing is conditional, but its introduction into circulation is related to the need to



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indicate its similarity with physical capital, Personnel Leasing is considered as a form of temporary or urgent involvement of the necessary personnel from the outside. Using this form of recruitment, a company can successfully solve the problem of providing itself with highly qualified employees. In Uzbekistan, leasing of the following categories of personnel is most likely: office personnel, sales personnel, technical personnel and highly qualified workers.

The company's strategic financial plan should describe the following issues [14]:

- Economic indicators (price, profitability, efficiency) of specific goods in competitive markets;
- Economic indicators of the company's functioning (sales volume, profit, indicators of the use of various types of resources, general economic indicators, firm stability, crisis-forecast indicators, etc.);
- Forecast of absolute and relative changes in financial indicators for goods, markets and the company as a whole;
- Justification and coordination with all interested services of the firm's strategic financial plan.

The company's international strategy should address the following issues:

- Exporter's strategic objectives;
- Importer's strategic objectives;
- Forecasting and selection of the main strategy of the company's international activities;
- Business case for the chosen strategy of the firm's international activities.

And in the strategy for the development of the management system should be presented:

- Analysis of the quality and efficiency of the company's management system over the past years (preferably at least 5 years);
- Identification of bottlenecks in the management structure, content and relationships of the company's management system components;
- Substantiation of the management system development strategy.

The investment strategy contains the composition of business projects contained in the former investment portfolio, as well as a plan for their implementation both in the short and long term.

E-Commerce Implementation Strategy "outlines the milestones associated with the creation of all necessary infrastructure components. The cost-effectiveness of creating, implementing and operating this system is assessed.

The organization of the implementation of the company's competitive strategy is covered by the following issues:

- Analysis of the current organization system, which reflects the methodology for implementing the company's strategy used over the past five years;
- Identification of bottlenecks in the organization of production processes (primarily in terms of the implementation of the principles of their continuity, direct accuracy, proportionality and rhythm), control and accounting of the implementation of strategic plans of the motivation and regulation system.

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