

Local & international competitiveness in your organization

In our day and age, it is rare to find an organization that is not in battle to win over the majority of the customers. This is why understanding competition is vital to any organizations livelihood. But what exactly does this entail? While there are a variety of solutions, there are a few fundamental concepts that give the best results in the trade war.

The first step is to understand the importance of competitiveness, product development, marketing and environment. Being competitive means staying ahead of the pack. Your product should be differentiated from the other products in the market. Firms need to adapt to the environment and understand the consumer. In fact, the ideal situation is predicting what the consumer wants, before even he knows it. Innovation and research will undoubtedly differentiate your product, and also meet and understand the markets demands. The role of technology is also crucial. Technology absorbs the strains of the production process and in most cases speeds up production and improves quality. These investments have long term benefits that reward the risk. The effective use of this technology requires new and better skills. The fast rate of improvement in technical progress, dictates that production activities change and also the skills needed to operate them. For countries to grow in a competitive environment, they have to increase their skill levels. In essence, being competitive is driven by this improved quality and superior efficiency. This is especially important in the international market, where there is greater competition and greater rewards.

While price-competitiveness is critical in gaining market access, the importance of non-price competitiveness also implies the importance of ongoing upgrading of production capabilities, including renewal of machinery, ongoing skills development, and effective local provision of technical services. This implies investment in the firm to assist meeting the demand with right quality and then the right price.

An indication that firms have a sustainable competitive advantage is determined by whether a firm is able to compete in export markets. Also, Exports are treated as a way of maintaining production volumes when local demand is weak, especially when there are economies of scale. The distinction between internationally traded products and products for the local market is that internationally traded products are also influenced by the strength of the currency, economic, political and their cultural status. This is why product awareness is that much more significant in the international market.