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## Introduction

A competition and a competitiveness of a company are very important issues in the field of management and particularly in strategic management. An increase of a company's competitive potential as well as obtaining and maintaining a competitive advantage in the long term leads to an increase of a company's profitability, increases a market share, provides a better satisfaction of clients' needs and an improvement of a company's image in the environment. The managers must get well to know the mechanisms of competition and the rules of market game in the sectors in which the companies operate and must manage them in a way which will increase a company's competitiveness. They should formulate a strategy which allows a company to survive on the market and to develop when the competition is strengthened.

The competition (in a micro scale) is understood as a permanent fight of a company to get clients by providing them with an offer which gives them a desirable value and which is better than the offer of competitors. On the other hand a competitiveness is a property of an organization compared with other companies. It is a consequence of the existence of competition that is a process of competing among companies on the market. The competition and the increase of its intensity are influenced by various phenomena and changes among which the following can be considered as the most important ones: a globalization of economic relations, political, social and cultural relations; an increasing role of a technological progress, product innovations and shortening the products life cycles; combining a strategy of a company's development with a protection and a support of the main competencies of the company; an increasing liberalization of national markets and international trade; a development of anti-monopoly legislation and a change of companies into transnational corporations<sup>1</sup>.

The environment becomes more and more turbulent, and according to Philip Kotler and John A. Caslione, turbulences always are connected with elevated risk and uncertainty<sup>2</sup>. Changes happen quicker and reacting to them requires a constant monitoring of the market and skills how to use properly a potential of the company. A company is supposed to check regularly its environment and more precisely its competitive environment and to analyze the

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<sup>1</sup> W. Świtalski, *Innowacje i konkurencyjność*, Wydawnictwo Uniwersytetu Warszawskiego, Warszawa 2005, p. 153.

<sup>2</sup> Ph. Kotler, J.A. Caslione, *Chaos. Zarządzanie i marketing w erze turbulencji*, MT Biznes, Warszawa 2013, p. 22.

possessed resources and competencies. This means conducting a strategic analysis. It will enable a creation of a proper competitive strategy concentrated on using the chances and avoiding the threats in the environment and on offering the clients the products with a desired value. This book can help formulate and choose a suitable strategy.

The first chapter presents the notions and the kinds of environment and characterizes a turbulent environment which exerts a very big influence on the functioning of contemporary companies. The different definitions of competition are presented together with the models and the levels of competition in the different approaches, the functions of competition, its advantages and disadvantages and the changes in the logic of competing caused by the globalization. Then the notion of the sector and its kind, the structural features and models of development as well as the aims of the sector analysis which constitutes an introduction to the next chapter are described.

The second chapter includes a detailed description of the selected methods of strategic analysis which refer to the research of competitive environment. It presents an analysis of five forces and the ways of using them in practice, a model of the market dependent on the entrance and exit barriers, a concept of clusters and its meaning for the research on competing of the given company, a map of the strategic groups and the ways of their analysis, an evaluation of the sector competitiveness in a subjective and an objective approach, an analysis of stakeholders in a competitive environment and a meaning of relations with stakeholders in the concept of Corporate Social Responsibility as well as a concept of key success factors and benchmarking, taking particularly into consideration a competitive benchmarking. All these methods are described together with the examples of their applications.

The third chapter refers to the competitiveness and the kinds of competitive strategy of a company. The various definitions, divisions and criteria of the competitiveness are enumerated, the elements of the competitiveness that is a competitive potential together with its elements, competitive gain, its kind and sources and a phenomena of hyper-competition, instruments of competing as well as competitive positions and the ways of evaluating them are presented. In the latter part of this chapter, the resources and key competencies of the company, their features, kinds and ways of creating, a system of managing competencies and the models of competencies are described. The following part of this chapter includes a description of the selected methods of testing a company's potential such as a profile of a strategic competitiveness, a strategic

balance, a matrix of functions and resources, an analysis of the value chain and portfolio methods together with comparing the features of matrix such as: BCG, Shell, ADL and Hofer's matrix. Later the notions and the features of the competition strategy and the models of such a strategy included in the general strategy of the company are presented.

The fourth chapter in turn presents the different kinds of competing on the market which can be fully or partially used by the companies creating their strategies. The defensive strategies in a classic and modified approach are described here together with the offensive strategies dependent on the level of competition, including a strategy of a "blue ocean", strategies dependent on strategic advantage in the different approaches, a strategy of simple rules (using the occasions), entrepreneurial strategies, market strategies (of leaders, claimants, followers, specialists), different kinds of product strategies, including the variations of the diversification and differentiation strategies, cost strategies, quality and price strategy in the different approaches, market entry strategies and global strategies. The latter part presents defensive strategies, strategies which can be a threat to the company and a strategy of a fragmentary competition and within them the different forms of strategic alliances.

The book is addressed to students of business faculties and managers who would like to improve both their knowledge and the strategies of their companies and who are to operate in a changeable and complex competitive environment.