

## SMALL AND MEDIUM-SIZED BUSINESS COMPETITIVENESS IN LITHUANIA

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### Abstract

The work gives analysis of the competitive environment of small and medium business (SMB) in Lithuania and of SMEs competitiveness. The work specifies a modern conception of competitiveness and gives a survey of the theories and levels of competitiveness. Porter's business competitiveness measurement index is given. SMB competitive conditions are specified. The last part provides the results and conclusions of SMB competitiveness research performed.

**Keywords:** small and medium-sized business, competitiveness, conditions, state, environment, enterprises, market.

### Introduction

*Scientific problem, innovation and relevance of the paper.* Competitiveness, as a phenomenon of the efficient activity of enterprises, is of importance in the business life of the country while pursuing a policy for sustainable economic development. This policy, as a problem for SMB development and enhancement of competitiveness has not been systematically explored and described under the conditions of Lithuania in the scientific and practical literature. One of the most important factors for attaining a rapid economic growth is sustainable entrepreneurship development in Lithuania with the use of all national resources. Under the conditions of globalization it is impossible to be competitive in all regions. It is necessary to find the fields of activity on the national and international market, to make use of the available advantages of sustainable development of Lithuania's economy. Favourable geographical conditions and qualified workforce are insufficient resources in order to compete on a par on the national and international market. It is necessary to develop SMB in Lithuania, on the basis of the most advanced technologies better using the creative potential of our people and innovations at a level of national resources.

As one of the most important measures of political decisions to ensure sustainable development of the State and society is the overall SMB development, predetermining a rapid growth of the national economy. Entrepreneurship is a unique combination of

decisions, striving for innovations and risk, encouraging business and its efficiency. The future of SMB in Lithuania in the single European Union (EU) space depends on the conditions of performance, the initiative of entrepreneurs, mutual respect, and support of the State institutions (Competitiveness of Lithuania's economy..., 2008).

SMEs are of special importance in implementing innovations, since they can respond fast to the changes in demand and technologies. Very often SMEs commence the implementation of new production processes and place the competitive product on the market, and later at the global economic level they are taken over by big companies.

Small and medium-sized enterprises have a decisive impact on the creation of new jobs. For those enterprises big investment property is not necessary, they respond promptly to the changes in the national and EU market, thus creating rivalry for individual types of activities in big enterprises. Small and medium-sized enterprises are the basis of the economy of the EU Member States. It is those enterprises that create thousands of new jobs for the Europeans and condition a good number of economic changes in the EU. In the Lisbon Strategy, approved by the European Council, SMEs are named as points of support in seeking to change the EU economy into the most competitive and dynamic (on the basis of knowledge) economy in the world where sustainable economic development would be adjusted to political decisions and the stronger social cohesion (Lithuanian small and medium..., 2008).

As of today, quite a number of SMEs in Lithuania are being closed due to political, economic and social problems, but still more of them are being established. At the State level it is very important by political decisions to improve the business environment, which would be favourable for SMB competitiveness and would encourage the innovative and socially responsible business culture. As it is given in the strategy for the long-term economic development of Lithuania until the year 2015, the efforts of Lithuania to enter the EU economic space and to compete equally here will be successful only when small and medium business

will be given special concern (Lithuania's economy... economy, 2008).

According to the World Economic Forum data, in the period of 2000–2005 Lithuania was ranked between 36 and 43 as to the competitiveness growth index (by macroeconomic aspect), and in 2007–2008 stood at 38. According to the 2005 business competitiveness index, measuring management and strategy quality of businesses, as well as the national environment, where business decisions of the enterprises are taken, a similar tendency is observed in the case of Lithuania as at the level of the competitiveness growth index, since Lithuania was just ranked 41. Thus, business competitiveness at the global level in Lithuania is average.

**The object of the research:** Lithuanian SMEs competitive environment.

**The objective of the research:** to assess the Lithuanian SMB environment and to propose measures for its improvement.

**Research tasks:**

- To describe the SMB role in the national economy.
- To provide SMB competitiveness enhancement theoretical and practical tendencies.
- To identify SMB competitiveness conditions.
- To analyze SMB competitive environment factors and to propose measures for their improvement.

**Research methods:** scientific literature analysis, analysis of legal documents, statistical data analysis, logical analysis, systemic analysis, and by analyzing SMEs performance conditions comparative analysis was applied, seeking to determine the principal tendencies of changes.

### **1. Tendencies for the Development of Small and Medium-Sized Business**

SMB importance in the economic development of the country is expressed by placing the national product on the market, enhancing market competitiveness, thus improving microeconomic and macroeconomic indicators. It is stated that the SMEs sector is capable of adapting itself more rapidly to the demand and supply conditions. Those enterprises are first to change the volumes of performance, are very innovative and fast responding to the satisfaction of consumer needs. They are first to find new market segments, to master them, and only later products from large organizations enter them. With the change in the number of the population and economic environment, SMB is oriented to the creation of new jobs. Statistical data show that SMEs contribution to the development of employment is biggest (Makštutis, Vijeikis, 2008). SMEs, which have not gone bankrupt in the first years of their life, within the next three years created approxi-

mately 3–7 new jobs, and after five years of their existence – 3–8 jobs on the average (Small, medium-sized and large..., 2008). Therefore, SMEs are very important for the sustainable development of the State and society; as they rapidly improve employment in the country, stimulate to work more flexibly, especially when large companies reduce jobs (Lithuanian small and medium..., 2008). Simultaneously, SMEs are able to adapt more quickly to national market changes, due to that the majority of new jobs are created especially in those fields of activities where goods and services are in greatest demand in society within the specific period. It is also known that with the increase of the number of employees in SMEs they become a part of the sector of corporations. Also attention should be focused to the fact that not all SMEs undergo changes in a similar way. Douglass (2003) maintains that 12–15 per cent of all SMEs ensure the major part of the development of economy. According to him, it is not correct to speak about SMEs as a uniformly expanding and active group of all companies. One should think about them as “a large field with the sown plants, several of which come up and grow into huge plants.” The capacity of SMEs to create new jobs is characteristic of the majority of the enterprises (Makštutis, Maloviakas, Smaliukienė, Vijeikis, Domarkas, 2008).

SMEs, while employing a good number of people from a social risk group, for whom the work in big organizations is hardly accessible, create conditions for them to take care of themselves and stimulate positive integration processes into society (Makštutis, 2008). Young people, usually just after graduation from universities and colleges, most often get jobs in SMEs, since it is inaccessible for them to start their activity in large enterprises. Therefore the SMEs sector not only provides big opportunities for improvement and creativity, but also performs the educational role in the field of business (Makštutis, Social liberalism..., 2008). Major discoveries may be made not only in large enterprises but also in SMEs. The enterprise where innovations are implemented has higher productivity, and therefore better products and production methods are created. Millions of small enterprises thus contribute to the increase of the gross productivity of their country (Gineitienė, 2005). Both large enterprises and SMEs strive to pass over to production of competitive products open to innovations. They employ qualified workforce, implement or acquire new technologies. Research of innovations showed that SMEs conduct market research and implement innovations in their activities more efficiently than large enterprises (Jucevičius, 2006). Research made on the market showed that SMEs were the main and important innovators in those branches of economy where unemployment went down as well as in those where it increased. It

was established by research that SMEs were by 1.8–2.8 times (per employee) more innovative than large corporations (Bartkus and Piktys, 2007, p. 22).

Consumers depend on manufacturers, whenever several large enterprises are operating on the market. They fix high prices, stop technological innovations, block the performance of new SMEs, and abuse the dominating monopolistic power and position on the market against consumers. In this case, only by support of the State institutions, SMEs may find a way out of a situation formed to solve a problem of enhancing market competitiveness. SMEs competitiveness on the national market makes it possible to improve the quality of their services and goods supplied and to reduce prices. In this case, SMEs and large enterprises not only compete but also supplement performance conditions of each other. SMEs sell products of large enterprises, provide numerous services to them, and supply the large enterprises with the necessary consumption resources, since corporative suppliers are just not able to perform the analogous functions. Therefore, a conclusion may be drawn up that support of SMEs by the State institutions is an integral part of the national economic development, which ensures the sustainable development of the State and society (Indriūnas, Makštutis, 2008).

SMEs may expand their activities as partners of large enterprises. Large enterprises buy various goods and services from the majority of SMEs, since the latter operate more flexibly on the market and its segments, thus reducing operating costs of large enterprises. Only a very small part of the large manufacturers, manufacturing certain products, have their own wholesale and retail trade channels and outlets. Large companies transfer retail supply functions to their representatives – distributors, who are spread throughout the world (Bartkus, Piktys, 2007, p. 24). Just the fact that SMEs further remain in the competitive economic system is a perfect proof of the efficient performance of SMEs. If SMEs operate inefficiently, they would not be useful for the economic system; they would go bankrupt very quickly and would withdraw from the business environment due to stronger competitors. In addition to the above-mentioned advantages, SMEs face a number of shortcomings and problems. SMEs go bankrupt more often because managers lack knowledge and experience in finding and motivating the gifted staff members, who by their professional activities would enhance the company's competitiveness and development. Meanwhile, presidents of large enterprises, corporations usually possess professional training in the field of management, have professional assistants for the formation of business teams, for the implementation of strategic objectives, programmes and projects under global economic conditions (Lesel, 2007).

Too strong ambitions of the founders and personal consumption are expressed in SMEs, quite often the lack of education and technical competence is felt. If the individual has enough money to launch his own business, this does not mean that he may implement it successfully (Kvedaravičius, 2006). Any field of business demands appropriate education, capacities and experience in the modern business environment (Vasiliauskas, 2007). It is already in the past when it was thought that if you want to become a prosperous entrepreneur you just should be a shrewd and aggressive person. Therefore at the moment the number of enterprises is rapidly increasing in Lithuania where specialists are involved in consulting, preparing of projects and helping to implement them for SMEs. Demand for such services just proves that it is very risky to get engaged in business without scientific knowledge, since it is possible to lose investments as well as the whole property. One of the problems in question in SMEs is lack of knowledge in strategic marketing. Practical results are when an entrepreneur primarily selects the field of activity (goods or services), intending to outwit other market players, and starts activities. After some time it becomes clear that goods or services have no prospects for demand. In this case, it is necessary not only to know but also to be able to conduct professional marketing research (Vijeikis, 2007).

The development of SMEs is impossible without investments and loans. Today, this is the most urgent problem of SMEs in Lithuania. It is difficult to receive a credit, to postpone tax payment, the procedure of settlement is often violated, and the possibilities of debt recovery are very limited. In difference from the developed EU countries, Lithuania has an incorrect and vicious procedure of business planning, its location in major cities. In the EU major countries, supermarkets (for consumer goods) are concentrated out of town, and in Lithuania, on the opposite, big retail outlets are concentrated in the city centres. Therefore SMEs do not have real opportunities to expand sales in the cities of the country. Today, expanding supermarkets predetermined that a good number of SMEs in the cities of Lithuania are closed. However, in spite of the aforementioned serious problems, increased importance of SMEs establishment in the cities at the level of the sustainable development of the State and society remains, since the general contribution of those companies into the economic and market development is significant. At the present moment SMEs in Lithuania create approximately 70 per cent of the GDP, produce the major part of heterogeneous goods and services (Small, medium-sized and large..., 2008). Their contribution is exclusive, since they create new jobs, implement and develop innovations, enhance competitiveness, are able to maintain partners-

hip with large companies. This is the most mobile and changing group of SMEs, able to react very flexibly to the frequently changing market conditions, technological requirements, and to implement innovations (Aleksonytė, Kuliešienė, 2008).

## 2. Trends in Enhancing SMEs Competitiveness

The State makes efforts to enhance the competitive advantage of the national market in respect to other states. This helps to raise the country's prestige and has a big impact on the economic and market development. The competitive advantage of SMEs in Lithuania at the EU level was predetermined by accessibility of credits, flexibility of the wages system, the number of population (with secondary and higher education), a level of inflation and conditions for receiving loans. These factors of competitiveness are surveyed in the study of factors of Lithuania's economic development and market competitiveness. Simultaneously, it was established that in addition to the indicated advantages, Lithuania's competitiveness is weakened by the existing technological level, the number of patents, emigration of specialists, intellectual property protection, corruption level, investment of the companies into staff training, efficiency of courts and other factors. Creation of the knowledge economy in the country would be accelerated by the integrated networks of business and science competence, which would become the basis for the creation of interactive clusters. It is proposed to increase financing of scientific and experimental research, to stimulate the intellectual business, and to develop the concept of life-long learning in society at all levels and in all age groups (Competitiveness of Lithuania's economy..., 2008).

In theoretical studies, business competitiveness is studied as a capacity to acquire competitive advantages among market players. Making analysis of the opinion of various authors on the impact of SMEs on the formation of competitive advantages, three approaches are distinguished, on the basis of which a competitive advantage is being formed in the enterprises, namely:

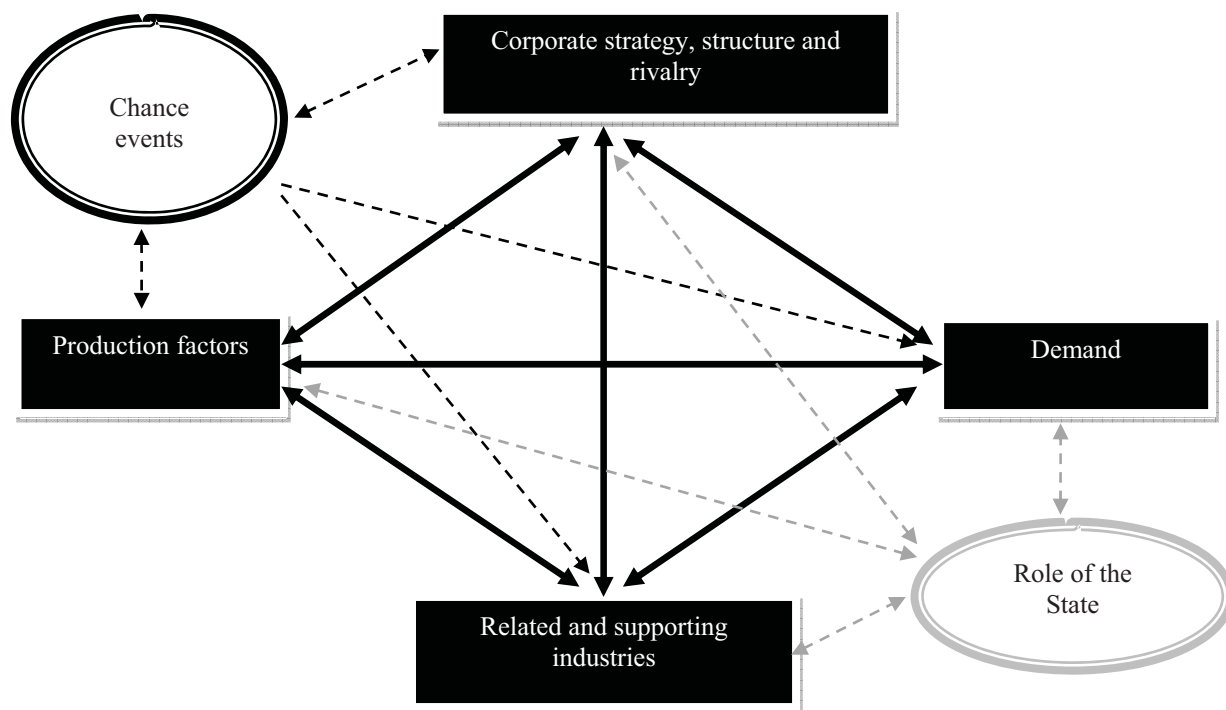
- *value added chain analysis;*
- *analysis of interorganizational relations;*
- *competition model analysis* (Porter, 1998).

In our opinion, in SMEs, more effective formation of competitive advantages is possible on the basis of the third approach, this is M. Porter competition model analysis. M. Porter in his book "The Competitive Advantage of Nations" (1998) states that the most important analytical and practical tool is "diamond" competitiveness advantage. This model is based on four specific crucial factors (corporate strategy, structure

and rivalry; production factors, related and supporting industries; demand) and two external conditions (role of the State and chance events). M. Porter's four crucial factors and two external forces are acting together in the "diamond", elucidating competitive advantage of the performance of the entity. As Porter states, the role of the country's government shall have an effect on four crucial factors inside the "diamond". A consequence of that impact may be positive and negative, in dependence on its impact on the industry and society (Porter, M. Porter diamond..., 2009). Policy, which is directed to the capital markets and education, has an effect on the production factors. Often, the country's government and its institutions are the main buyers of certain goods and services. The government's policy may also form a permanent strategy, structure and through its impact make an effect on the capital markets, tax policy, and also improve laws for business development (Lithuania's economy...development..., 2008). Porter underlines that competitive advantage is acquired by those states, the manufacturers of which understand the needs of their consumers and take them into account when manufacturing products. For evaluation of needs, a permanent relationship between consumer and the staff of the company is necessary. This is a very complicated process, covering the satisfaction of the needs of local and foreign consumers. Therefore SMEs rivalry on the national market becomes very important and helpful in acquiring international competitiveness (Vijeikis, 2007). Four key factors for assessment of the advantages of the country are presented in Figure 1.

1. *Corporate strategy, structure and rivalry.* The country's competitiveness in certain business segments is inevitably related to the strategies and structure of SMEs in that segment. Rivalry of individual companies has an effect on innovation of their performance. Since rivalry of the domestic companies in the country is direct and earlier in terms of time than steps, taken by foreign competitors, assessment of the national companies by competitiveness is higher when expressing innovation and efficiency and preconditions a higher level of competitiveness abroad.

For example, the Japanese automotive industry with 9 key competitors (*Honda, Toyota, Suzuki, Isuzu, Nissan, Mazda, Mitsubishi, Subaru & Datsun*) provides intensive rivalry both on the internal and external markets. Such legal environment, conditioning competitive performance of the companies, is formed by the national authorities. A more intensive competition forces the companies to put more efforts: to implement innovations, to offer products of higher value, and thus to enhance their competitiveness abroad (Neven, 2001).



**Figure 1.** M. Porter's "diamond" for home market (for assessment of the country's advantages)

Source: Porter, 1998.

2. *Demand.* On the internal market, implementation of innovations in companies, upon the assessment of consumer approach, has an effect on the demand conditions. The development of the home market simultaneously stimulates companies to expand their activities. As an example, we can provide the case of Germany, which is in possession of the leading car companies *Mercedes, BMW, Audi, etc.* The German car companies dominated on the world market, unless a higher level of the world automotive industry was achieved. Today, the products of the German automotive companies have high prices and their position on the market of cheaper cars is weaker, this being predetermined by the specific features of the world consumers. Bigger and richer markets are able to stimulate the establishment of companies and attract more foreign investments, who are capable of manufacturing cheaper cars of mass production *Nissan, Mazda, Mitsubishi* (Neven).

3. *Related and supporting industries.* For many SMEs, being related to other industries is of crucial importance for the development of a certain branch of industry. The competitive powers of individual companies and even branches are inclined to be joined into "groups" of industries. For example, the Silicon Valley in the USA and the Silicium Valley in the United Kingdom are the groups of advanced technology industries, which join the individual enterprises manufacturing software and semiconductors. In Germany, similar groups are formed among the enterprises,

manufacturing chemicals, synthetic paint, and textile. These are also other economic sectors, related to the company by various relations: suppliers, financial institutions, partners, other services to the business, which make the market more attractive to investors (Neven).

4. *Production factors.* They may be subdivided by categories into two forms: local resources and very specialized – imported resources. For example, Japan possesses insufficient natural resources, and Russia lacks the workforce of highest quality, most innovative and perspective technologies. Thus, production factors are natural resources, a level of demand–supply on the labour market, education of people and public knowledge, perspective technologies, national economic and market infrastructure, etc. (Neven).

It is possible to note that the "diamond" model encompasses four key groups of factors in the general infrastructure of the country's economy and national market. The factors in this group are subject to permanent change under the conditions of the global economy and international market, therefore this affects general competitiveness.

While assessing the actual impact of SMEs on the formation of competitive advantages, it is possible to distinguish two main groups of competitive advantages, which consist of:

- competitive advantages in industries;
- relative competitive advantages.

*Competitive advantages in industries* are such competitive advantages, which are formed by SMEs in respect of the competitive forces in the corresponding industry, i.e. acquisition of bargaining power, this meaning the capacity of the company to effectively tackle bargaining situations, bargaining with the clients or suppliers for its own benefit. In order to use SMEs for the creation of the national economic value, it is necessary to survey two initial factors, specifying profitability (Porter):

- the structure of an industry which predetermines profitability of the average competitor;
- permanent competitive advantage, which helps the company to outlive the average competitor.

Those two profitability factors are universal; they may be adapted for the implementation of any technology and the development of activities. At the same time, they differ greatly for the individual industries and SMEs.

*Relative competitive advantages* are competitive advantages of SMEs in respect of the competitors of the company, like the capacity of the company to manufacture goods at lower costs and of higher quality, comparing to other equivalent products on the market. Relative competitive advantages may be external and internal.

External or interorganizational relative competitive advantages are such advantages that SMEs create in their relations with other enterprises in the national economy and on the national market. External competitive advantages are formed in two stages:

- by minimizing the costs of transactions and selecting intermediaries;
- identifying the optimum number of intermediaries.

Key functions of intermediaries (Snowdon, Stonehouse, 2006):

- *Demand and supply adjustment.* Intermediaries reduce the number of interactions between buyers and sellers, which is necessary for collecting information. Impact – a reduced price of transactions, scale of economy, and a decreased gap in a negotiations.
- *Trust.* Trust reduces risk of market transactions and obligates the participating parties.
- *Market organization.* Intermediaries organize information exchange, coordinate the processes

of operations between the market players and reduce the price of transactions.

- *Search, selection of buyers and sellers, processes of negotiations.* Intermediaries create measures that help market players to complete transactions.
- *The role of intermediaries as information suppliers.* Those intermediaries sell information on goods and services, rather than information about their price.
- *Other intermediation functions.* The following functions are distinguished: audit, financial intermediation, petty trading, etc.

In all cases when the market players may develop their activities without intermediaries, it does not mean that those performing the functions of intermediaries do not exist. In this case, the functions of the intermediary are undertaken by the market players themselves.

Internal relative competitive advantages are such advantages which may be formulated by SMEs while restructuring their functions. Internal relative competitive advantages are related to enhancing the efficiency of operations and functions performed, and to improvement of the staff capacities. Enhancing the efficiency of operations and functions is a traditional method for the use of information technology, and it is very important in the formation of competitive advantages.

However, it should be noted that some competitive advantages may be attributed to both groups, for instance, innovation of goods could impact relative advantage (to reduce production costs) or advantage of an industry (increasing the negotiating power and underlining specific features of goods or services and client choice opportunities) (Vijeikis, 2007).

### 3. Business Competitiveness Index

The author of the business competitiveness index is the USA economist M. Porter. This index specifies microeconomic (at the level of enterprises) and national economic competitiveness factors. By this index, the quality of management and strategies of business companies as well as the national economic development environment where business decisions of the enterprises are selected, is assessed. The procedure for measurement of the business competitiveness index is given in Table 1.

Table 1

#### Business competitiveness index

Business competitiveness index =
$1/3*(\text{Enterprise management and strategies}) + 2/3*(\text{business environment quality})$

Source: Jucevičius, 2006.

According to the 2005 the business competitiveness index, in the case of Lithuania, a similar tendency is observed like at the level growth competitiveness

index. Lithuania was ranked 39 on the list of countries in 2007. Data are provided in Table 2.

Table 2

**Business competitiveness index in Lithuania**

Factors / Period	2007	2006	2005	2004	2003	2002	2001
Competitiveness index (2007–2001)	39	40	39	36	39	43	48
Experience of enterprises' activities	39	39	37	38	41	40	53
Business environment quality	43	42	39	37	40	43	48

Source: World Economic Forum, 2007.

As to the data of the report, published by the World Economic Forum, Lithuania according to the business competitiveness index (covering 131 countries) in 2007 was ranked 39th, even though the business environment in Lithuania became worse.

**4. Analysis of environmental competitiveness research on SMEs performance in Lithuania**

Results of scientific research conducted at Mykolas Romeris University were used for environment analysis (Aleksonytė, Kuliešienė, 2008). During research, it was identified that SMEs competitiveness in Lithuania depended on the specific factors (like the capacity of the enterprises to develop and master new technologies; to develop innovative technologies; to recruit

the qualified personnel; to rationally use material and financial resources, etc.), which make an impact on performance optimization and development.

With the application of Porter's competitiveness analysis methodics and methods, a research conducted in 2008 made it possible to evaluate the key conditions for SMEs competitiveness in the economic and market environment in Lithuania, taking into account such criteria, like export promotion, consumer purchasing power, business infrastructure, financial, material and human resources, tax administration, legal, economic, political and cultural environment. For evaluation, the efficiency scale from –1 to 1 was used. The generalized exploratory results are given in Figure 2.

–0.31	Export conditions	
–0.38	Export outside the EU	
	Purchasing power	0.11
	Business infrastructure	0.21
–0.39	Finance	
–0.27	Material resources	
–0.13	Human resources	
	Tax administration	0.15
	Investment environment	0.28
–0.75	Economic environment	
–0.65	Legal environment	
–0.32	Political environment	
–0.36	Cultural environment	

**Figure 2.** Assessment of the State-driven business environment

Source: Aleksonytė, Kuliešienė, 2008.

The respondents gave the most favourable assessment to the investment business climate (0.28). The respondents maintain that the investment climate in Lithuania is partly positive. Similar estimation was given to the business infrastructure (0.21) and tax administration (0.15). Even though the economic growth rates slowed down, consumer purchasing power was still evaluated as partly favourable to business. Human (–0.13), material (–0.27) and financial resources (–0.39) received lower assessment. Export promotion conditions were estimated as unfavourable (–0.31 and –0.38). Political (–0.32) and cultural envi-

ronment (–0.36) was assessed unfavourably. The least favourable assessment by the respondents received the Lithuanian legal environment (–0.65), they held that the system is not fit for business development, the economic environment in the country was also estimated very negatively (–0.75 points).

Research results are totally unfavourable for the establishment of SMEs and their performance efficiency.

Overall inflation and deflation have a strong effect on business development. During the period of the economic decline, population income has shrunk

considerably, therefore expensive and long-term consumer goods were purchased fewer. Income may go up due to credits taken by the population, though their need also depends on interest rate. With high unemployment in the country, demand for stable commodities may decrease, and those factors substantially weaken the economic environment of Lithuania and

impede SMEs establishment and their performance expansion. SMEs performance is under considerable impact of the formed external environment, the research results of the factors thereof (like the established procedure, habits, created informal rules, etc.) are provided in Figure 3.

	Level of the staff	0.06
-0.59	Need for funding	
-0.41	Financing opportunities	
	Management problems	0.05
	Capacities on the markets	0.22
-0.26	Competition (distorted)	
	Competition	0.13
-0.32	Lack of information	
-0.49	Racketeering	
-0.51	Bureaucracy	
-0.72	Payment delay	
-0.70	Corruption in the region	
-0.73	Corruption in the State	
-0.74	Business conditions	

**Figure 3.** Assessment of the external factors of the respondents, having an impact on the company's performance

Source: Aleksonytė, Kuliešienė, 2008.

According to the criteria business environment was: qualification level of the staff, need for funding sources, accessibility of investment sources, management problems, capacity to enter new markets, rivalry with shadow business and legal entrepreneurs, lack of information, mafia and racketeering, bureaucracy barriers, payment by clients, corruption and business regulation conditions. For assessment, the scale of efficiency from -1 to 1 is used.

*Research results are completely negative for SMEs establishment and performance efficiency.*

The internal factors of the SMEs environment and their assessment results are provided in Figure 4. Respondents at this stage evaluated the opportunities of the enterprises to improve performance processes, to modify products, to reduce costs, etc.

-0.19	Research experience	
	Production efficiency	0.01
-0.07	Experience in implementing technologies	
	Capacity to modify the product	0.11
	Capacity to improve the activity	0.09

**Figure 4.** Assessment by respondents of the internal factors, having an impact on the company's performance

Source: Aleksonytė, Kuliešienė, 2008.

For evaluation, the scale of efficiency from -1 to 1 is used. The results show that SMEs which participated in the survey did not evaluate sufficiently their capacities and skills in improving goods or services (0.11). In a similar way, they evaluated the improvement of production processes (0.09). Of lesser efficiency were production costs (0.01). Experience of the enterprises in implementing new technologies was estimated negatively (-0,07). The least average of evaluation was in the field of scientific research (-0.19). Thus, it is possible to presume that a large gap still exists between scientific research and business. Enterprises put

effort to improve products and production processes still more; in this case, goods imported from abroad outrivalled the products of Lithuanian manufacturers.

*Research results are totally unfavourable for the establishment of SMEs and their performance efficiency.*

Having assessed the achievements of the State and society in the field of the sustainable development, it is possible to formulate and provide conclusions of this work that are based on the perspectives for the sustainable development.



## Conclusions

1. The importance SMB and its impact on the economic development of the State predetermine special attention of the public. SMEs contribution is exclusive: they create new jobs, disseminate and implement technological innovations, enhance competitiveness, collaborate with large organizations, increase the volumes of national product, manufacture goods effectively and provide services to consumers.
2. On the basis of the conception of competitiveness, it is observed that competitiveness covers the environment of external and internal conditions of SMEs performance, that due to competitiveness a modern social level of the development of enterprises is maintained: capacities, development of intellectual, optimum efficiency, social responsibility and creation of the knowledge society.
3. Achievements of the sustainable development of the State and society are assessed by the business competitiveness index. This assessment indicator proposed by Porter is subject to discussion, it makes it possible to state that each assessor measures competitiveness differently and receives different results. However, all agree that competitiveness is the capacity of the State institutions to support SMEs, which may achieve and retain modern rates of the development of the national economy.
4. In the process of enhancing SMEs competitiveness, the key role belongs to the domestic external and corporate internal business development environment conditions. Research conducted enables to state that the legal and economic environment of SMEs received the worst assessment, since business development and implementation of innovations are mostly hindered by a complicated interpretation of tax laws and the tax system.
5. In the State policy (support) as most unfavourable are indicated support supply conditions; support from the municipal and SMB funds is assessed as poor; profit tax and VAT privileges, support from EU structural funds are insufficient, therefore SMEs are not stimulated financially to enhance national product competitiveness on the national market.
6. After estimating research results, it is possible to state that the environment for the development of SMEs performance in Lithuania is unfavourable, therefore efficient support of the State for the improvement of entrepreneurship, oriented to the enhancement of competitiveness, is necessary: increase of SMEs informativeness, development of consulting, business incubation and other services; simplification of SMB access to various

funding sources and quality improvement of the services of the State institutions.

7. The State shall grant real support to the starting entrepreneurs: in the first three years to lift or significantly cut profit and income taxes, to exempt from land and property taxes, to grant other privileges.

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## Smulkaus ir vidutinio verslo konkurencingumas Lietuvoje

Santrauka

*Straipsnio mokslinė problema, naujumas ir aktualumas.* Konkurencingumas kaip įmonių efektyvios veiklos reiškinys yra aktualus šalies verslo gyvenime vykdant darnios ekonominės plėtros politiką. Ši politika kaip problema smulkaus ir vidutinio verslo (SVV) plėtrai ir konkurencingumui didinti nėra sistemaiškai ištirta ir aprašyta Lietuvos sąlygomis mokslinėje ir praktinėje literatūroje. Vienas svarbiausių veiksnių, siekiant spartaus ekonominio augimo, yra darnios verslininkystės plėtra Lietuvoje naudojant visus nacionalinius išteklius. Globalizacijos sąlygomis neįmanoma būti konkurencingais visose srityse. Būtina atrasti veiklos sritis nacionalinėje ir tarptautinėje rinkoje, išnaudoti turimus Lietuvos ūkio darnios plėtros pranašumus. Būtina plėtoti SVV Lietuvoje, remiantis naujausiomis technologijomis, geriau išnaudojant mūsų žmonių kūrybinį potencialą ir inovacijas nacionalinių išteklių lygmeniu. Kaip viena svarbiausių politinių sprendimų priemonių, siekiant užtikrinti valstybės ir visuomenės darnią raidą, yra visapusiška SVV plėtra, sąlygojanti spartų nacionalinės ekonomikos augimą.

Verslumas – unikalus sprendimų, naujovių siekimo ir rizikos derinys, skatinantis verslą ir jo efektyvumą. Nuo veiklos sąlygų, verslininkų iniciatyvos ir pastangų toleravimo, vienas kito gerbimo, valstybės institucijų rėmimo priklauso ir SVV ateitis Lietuvoje bendroje Europos Sąjungos (ES) erdvėje. SVV įmonės ypač svarbios diegiant inovacijas, nes jos gali greitai reaguoti į paklausos ir technologijų pokyčius. Labai dažnai SVV įmonės pradeda diegti naujus gamybos procesus ir pateikia į rinką konkurencingą produktą, o jas vėliau globalios ekonomikos mastu perima didelės įmonės. SVV įmonės turi lemiamą įtaką kuriant naujas darbo vietas. Šioms įmonėms nebūtinai didelis investicinis turtas, jos greitai reaguoja į nacionalinės ir ES rinkos pokyčius, taip sudarydamos konkurenciją atskiroms veikloms rūšims didelėse įmonėse. SVV įmonės – ES narių–valsty-

bių ekonomikos pagrindas. Būtent šios įmonės sukuria tūkstančius naujų darbo vietų europiečiams ir sąlygoja daugelį ekonominių permainų ES. *Tyrimo objektas* – Lietuvos SVV įmonių konkurencingumo aplinka. *Tyrimo tikslas* – įvertinti Lietuvos SVV aplinką ir pasiūlyti priemones jos gerinimui. *Tyrimo uždaviniai*: 1) aprašyti SVV vaidmenį nacionalinėje ekonomikoje; 2) pateikti konkurencingumo didinimo teorijos ir praktikos tendencijas; 3) nustatyti konkurencingumo sąlygas; išanalizuoti konkurencingumo aplinkos veiksnius ir pasiūlyti priemones jiems gerinti.

*1. Smulkaus ir vidutinio verslo plėtros tendencijos.* SVV reikšmė šalies ekonominiam vystymuisi pasireiškia nacionalinio produkto pateikimu į rinką, rinkos konkurencingumo didinimu, todėl gėrėja mikroekonominiai ir makroekonominiai rodikliai. Teigiama, kad SVV įmonės pajėgios greičiausiai prisitaikyti prie paklausos ir pasiūlos sąlygų. Šios įmonės pirmosios keičia veiklos apimtį, yra labai novatoriškos, greitai reaguoja į vartotojų poreikių tenkinimą. Jos pirmosios atranda naujus rinkos segmentus, juos įsivaina, o tik vėliau patenka stambių organizacijų produktai. Keičiantis gyventojų skaičiui ir ekonominei aplinkai, SVV orientuojasi į naujų darbo vietų kūrimą. Statistiniai duomenys rodo, kad SVV įmonių indėlis į įdarbinimo plėtrą yra pats didžiausias. SVV įmonės per pirmus trejus metus sukuria apytiksliai 3–7 naujas darbo vietas, po penkerių metų – vidutiniškai 3–8 darbo vietas. Todėl SVV įmonės – labai svarbios valstybės ir visuomenės darniai raidai, nes jos sparčiai gerina užimtumą šalyje.

*2. SVV įmonių konkurencingumo didinimo kryptys.* Valstybės funkcija – didinti nacionalinės rinkos konkurencinį pranašumą kitų valstybių atžvilgiu. Tai padeda kelti šalies prestižą ir daro įtaką ūkio ir rinkos plėtrai. Lietuvoje SVV konkurencinį pranašumą ES lygmeniu lėmė kreditų prieinamumas, atlyginimų sistemos lankstumas, gyventojų, turinčių išsilavinimą, skaičius, infliacijos lygis ir paskolų sąly-

gos. Šie veiksniai apžvelgti Lietuvos ekonomikos plėtros ir rinkos konkurencingumo veiksnių studijoje. Kartu nustatyta, kad be nurodytų pranašumų Lietuvos konkurencingumą silpnina esamas technologinis lygis, patentų skaičius, specialistų emigracija, intelektinės nuosavybės apsauga, korupcijos lygis, įmonių investavimas į darbuotojų mokymą, teismų veiksmingumas ir kiti veiksniai.

Teorinėse studijose verslo konkurencingumas analizuojamas kaip gebėjimas įgyti konkurencinius pranašumus tarp rinkos dalyvių. Analizuojant įvairių autorių nuomonę apie SVV įmonių įtaką konkurencinių pranašumų formavimui, išskiriami trys požiūriai, kuriais remiantis įmonėse formuojamas konkurencinis pranašumas: 1) pridėtinės vertės grandinės analizė; 2) tarporganizacinių ryšių analizė; 3) konkurencijos modelio analizė. Vertinant realią SVV įmonių įtaką konkurencinių pranašumų formavimui, galima išskirti dvi pagrindines konkurencinių pranašumų grupes, kurias sudaro konkurenciniai pranašumai ūkio šakose ir santykiniai konkurenciniai pranašumai.

*Konkurenciniai pranašumai ūkio šakose* yra tokie konkurenciniai pranašumai, kuriuos SVV įmonės formuoja konkurencinių jėgų atitinkamoje ūkio šakoje atžvilgiu, t. y. derėjimosi galios įgijimas, kuris reiškia įmonės gebėjimą efektyviai išspręsti derybines situacijas, derantis su klientais ar tiekėjais savo naudai.

*Santykiniai konkurenciniai pranašumai* yra SVV įmonės konkurenciniai pranašumai įmonių konkurentų atžvilgiu, tokie kaip įmonės gebėjimas gaminti prekę mažesne savikaina ir aukštesne kokybe, lyginant su kitais ekvivalentiškais produktais rinkoje.

Santykiniai konkurenciniai pranašumai skirstomi į išorinius ir vidinius. Išoriniai, arba tarporganizaciniai santykiniai konkurenciniai pranašumai yra tokie pranašumai, kuriuos SVV įmonė sukuria per santykius su kitomis įmonėmis šalies ūkyje ir nacionalinėje rinkoje. Vidiniai santykiniai konkurenciniai pranašumai yra tokie pranašumai, kuriuos SVV įmonė gali suformuoti pertvarkydama savo veiklos funkcijas. Vidiniai santykiniai konkurenciniai pranašumai susiję su atliekamų operacijų ir funkcijų efektyvumo didinimu, personalo gebėjimų tobulinimu. Operacijų ir funkcijų efektyvumo didinimas yra tradicinis informacinės technologijos panaudojimo būdas ir labai svarbus formuojant konkurencinius pranašumus.

3. *Verslo konkurencingumo indeksas*. Šis indeksas apibūdina įmonių lygio ir šalies ekonominio konkurencingumo veiksnius. Šiuo indeksu vertinama verslo įmonių valdymo ir strategijų kokybė ir šalies ūkio plėtros aplinka, kurioje yra pasirenkami įmonių verslo sprendimai (*Verslo konkurencingumo indeksas* =  $1/3 * (\text{Įmonių valdymas ir strategijos}) + 2/3 * (\text{verslo aplinkos kokybė})$ ). Lietuva valstybių sąrašė 2007 m. užėmė 39 vietą. Lietuva pagal verslo konkurencingumo indeksą (vertinta 131 valstybė) 2007 m. užėmė 39 vietą, o verslo aplinkos kokybė Lietuvoje pablogėjo.

4. *Lietuvos SVV įmonių veiklos aplinkos konkurencingumo tyrimų analizė*. Tyrimų metu nustatyta, kad Lietuvos SVV įmonių konkurencingumas priklauso nuo konkrečių veiksnių: įmonių gebėjimo kurti ir įsisavinti naujas technologijas, vystyti inovacinę veiklą, komplektuoti kvalifikuotą personalą, racionaliai naudoti materialinius ir finansinius išteklius bei kt., kurie daro įtaką veiklos optimizavimui ir plėtojimui.

2008 m. atlikti tyrimai leido įvertinti pagrindines SVV įmonių konkurencingumo sąlygas Lietuvos ūkio ir rinkos aplinkoje, atsižvelgiant į tokius kriterijus kaip eksporto skatinimas, vartotojų perkamoji galia, verslo infrastruktūra, finansiniai, materialiniai ir žmogiškieji ištekliai, mokesčių administravimas, teisinė, ekonominė, politinė ir kultūrinė aplinka. Verslo aplinka analizuota pagal darbuotojų kvalifikacijos lygį, finansavimo šaltinių poreikį, investavimo šaltinių prieinamumą, vadovavimo problemas, gebėjimą patekti į naujas rinkas, konkurenciją su šešėliniu verslu ir tarp legalių verslininkų, informacijos stoka, reketą, biurokratinis barjerus, klientų atsiskaitymą, korupciją ir verslo reguliavimo sąlygos. *Gauti tyrimų rezultatai visiškai nepalankūs SVV įmonių steigimuisi ir veiklos efektyvumui didinti.*

Apibendrinant prieita prie tokių išvadų:

1. Atlikti tyrimai leidžia teigti, kad blogiausiai atsiliepiama apie teisinę ir ekonominę SVV įmonių aplinką šalyje, nes ypač verslo plėtojimui ir inovacijų diegimui trukdo mokesčių įstatymų taikymas ir mokesčių sistema.
2. Valstybė turi remti pradedančiuosius verslininkus: pirmus trejus metus nuimti ar itin sumažinti pelno ir pajamų mokesčius, atleisti nuo žemės ir turto mokesčių, pritaikyti kitas lengvatas.

**Pagrindiniai žodžiai:** mažo ir vidutinio dydžio verslas, konkurencija, sąlygos, valstybė, aplinka, įmonė, rinka.