

## THE MANAGEMENT OF CHANGE AND THE COMPETITION ADVANTAGE

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### **ABSTRACT**

*During the present paper we intend to present the most significant changes, which require a different type of management as compared to the classic situations.*

*These changes do not have a gradual evolution, but appeared as a result of some phenomena and transformations of a social, economic, political, cultural and informational nature.*

*The organizations that will adopt a management of change according to the requirements of the competition environment will keep their competition advantage, along with the accomplishment of the objectives.*

**Keywords:** the management of change, the competition advantage, the chain of value, moral contract.

### **1. GENERAL CONSIDERATIONS**

The present stage we are in is marked by social, political, economic, cultural transformations, directly leaving its print on organizations and markets.

Organizations face a continuous struggle to adapt to the present, having in view the future. The changes themselves are not the ones, which raise problems for the organizations, but their complexity, rhythm and diversity.

The management of change will take place only through a reconsideration of the managers' work, which needs to be in a permanent search for ways to cope with the changes that appear inside the competition environment.

### **2. IDENTIFYING CHANGES IN THE COMPETITION ENVIRONMENT**

The difficulties, which appear at the level of organizations as a result of changes in the competition environment, are numerous. From our point of view the main changes in the competition

environment, to the solving of which the competitive advantage and, automatically, the future of the organization depend upon, are presented in figure 1.

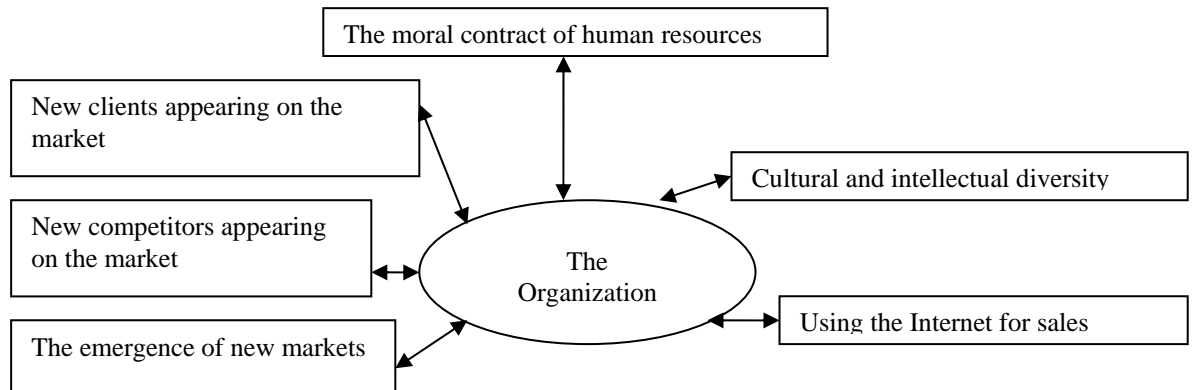


Figure 1. Main changes in the competition environment

### 3. THE ANALYSIS OF THE IDENTIFIED CHANGES

It is undisputable that most of the world is heading towards a more and more globalised society, where, boosted by the new informational and communicational technologies, corporations have acted aggressively to offer their services and products throughout the world [1].

Soon, changes in the competition environment appeared. The emergence of new markets, clients and competitors, together with the use of Internet in sales, the cultural and intellectual diversity strongly marked the competition environment. In addition to these things, a powerful change in attitude and view appeared in the management of human resources. It was only natural. Man, indifferent of the position he holds is the main resource of the organization and has become conscious of this fact. He no longer accepts the rigid and hierarchical contractual bind, except when it is based on collaboration, creativity, initiative, professionalism and performance.

For each of the identified changes, the managers need to come up with strategies and tactics, so that the organization continues to cope with the competition imposed by the market.

The strategies and tactics, together with the causes that generated the changes, as we see them, are presented in figures 2., 3., 4., 5., and 6.

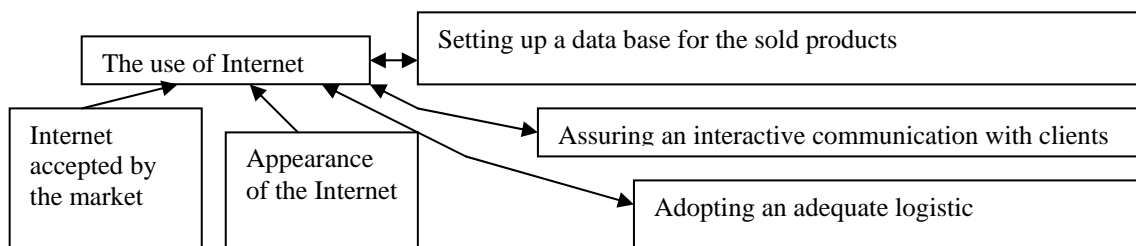


Figure 2. Proposed tactics for the use of the Internet in the sales field

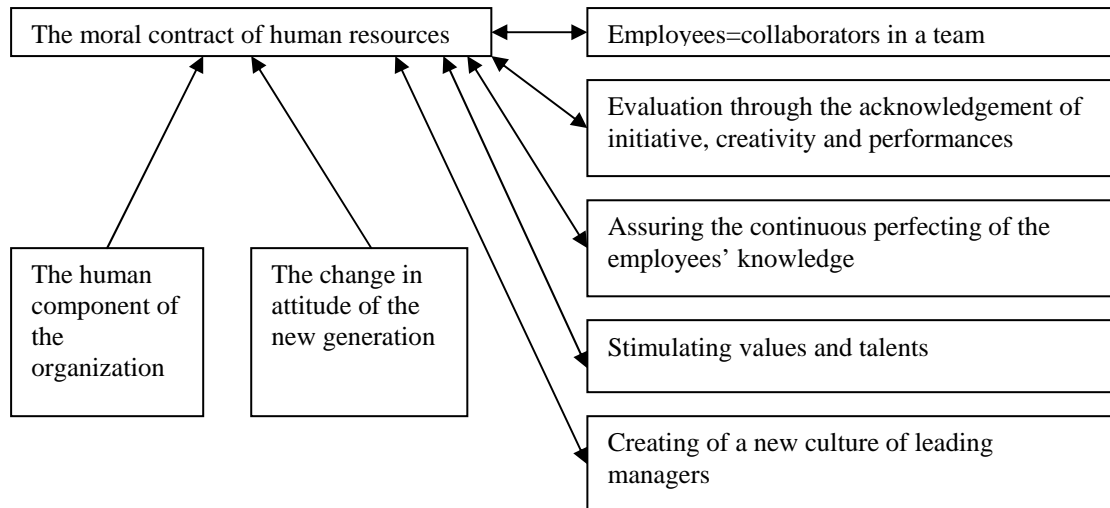


Figure 3. Proposed strategy regarding the moral contract of human resources

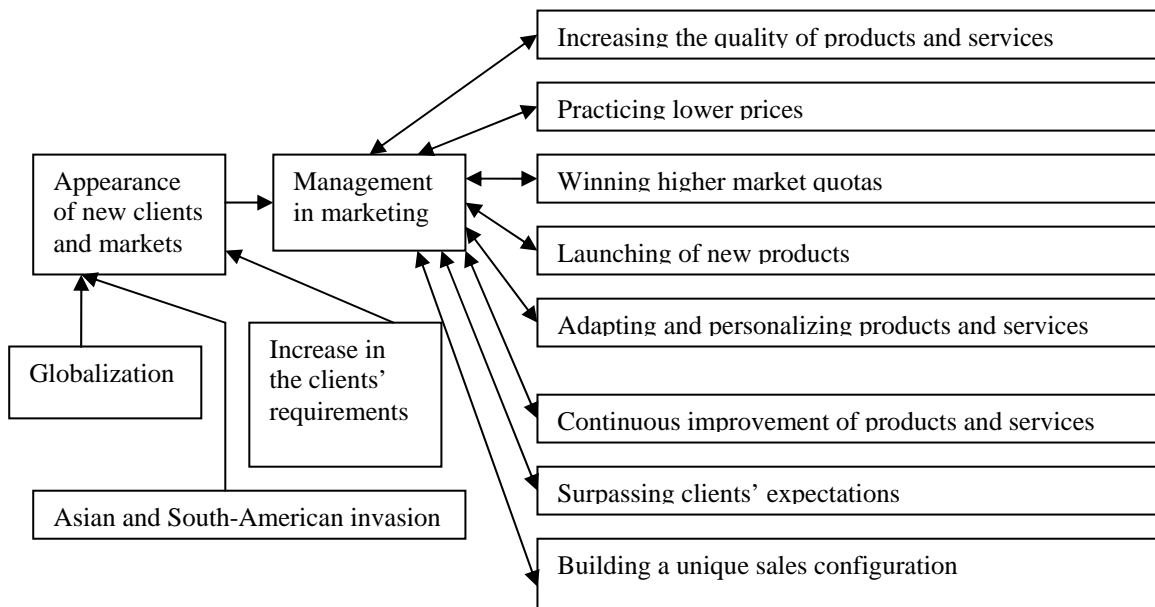


Figure 4. The appearance of new clients and markets

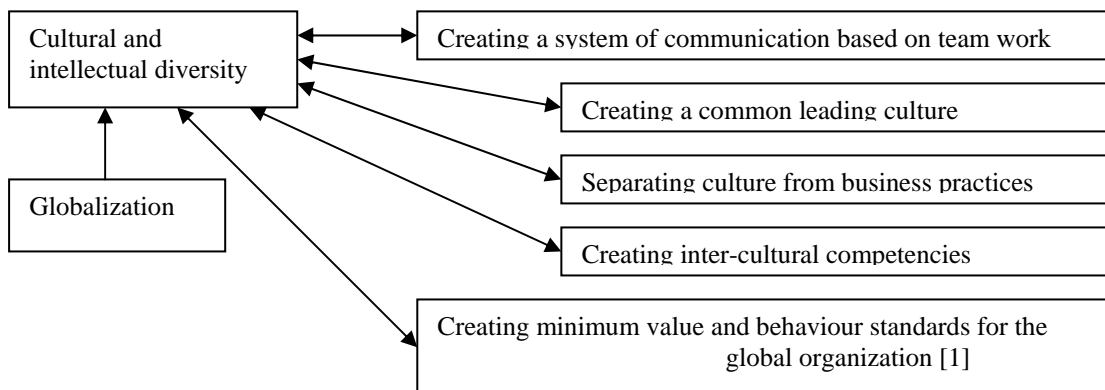


Figure 5. Cultural and intellectual diversity

The entering on the market of organizations with similar activities represents one of the competition forces that could modify the competition environment. It is for this reason that our vision, based on

the application of M.Porter's theory [7], throws into relief the reaction of the organization, the competition strategy, regarding the entire competition (figure 6.). We state this, according to the opinion of an American specialist:"for each company, great or small, the last competitor is not another company, but the market. The organizations will survive as long as they will prevail against the market".

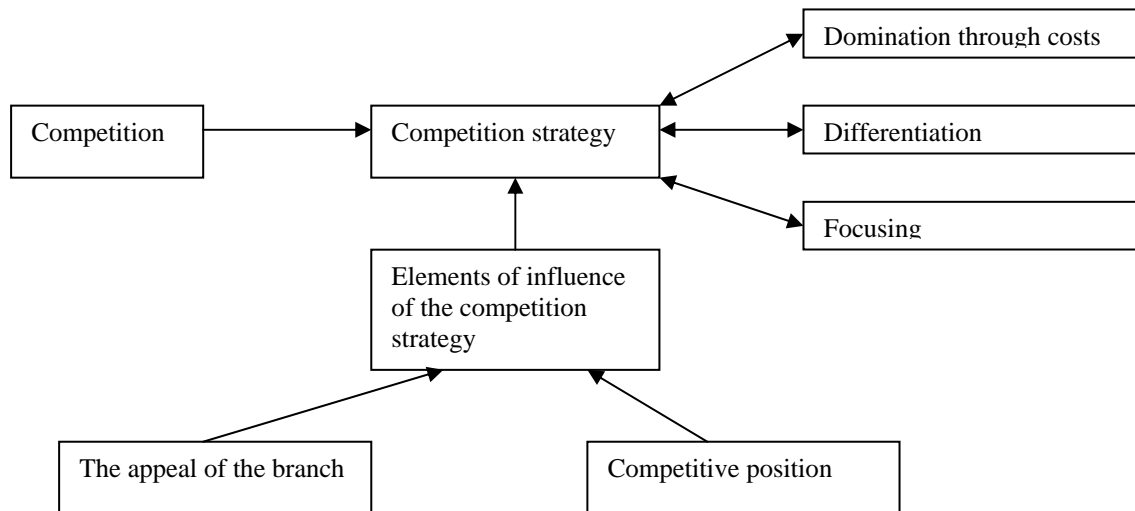


Figure 6. Competition strategy

#### 4. COMPETITION ADVANTAGE

The competition advantage fundamentally results from the value a firm can create for its buyers. A firm can get the competition advantage by conducting activities of strategic importance cheaper and better than its competitors [6]. The mentioned strategies and tactics determine activities, which can assure, through a systemic approach, sources of competition advantage (figure 7.).

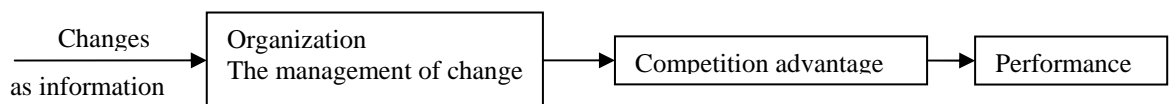


Fig. 7. The systemic approach to reach the competition advantage

#### 5. CONCLUSIONS

The organizations are in a permanent struggle to adapt to the present and in view of the future. Those, which will not adopt a management of the changes appeared in the competition environment will disappear. A part of the managers' work will focus on the identification of changes and their causes, as well as on the elaboration of the necessary strategies and tactics. The emergence of new markets, clients and competitors, the cultural and intellectual diversity, the use of the Internet in the area of sales, the moral contract of human resources, are the main changes identified in the competition environment. The adopted strategies and tactics determine activities that can assure, through a systemic approach, sources of competition advantage. A firm can obtain a competition advantage through activities of a strategic importance, activities cheaper and better than those of its competitors.

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