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Competitive forces on the Ukrainian pharmaceutical market: evaluation aspects

Nowadays strong market position of a company is not only about figures of revenue and profit, but also the ability to build sustainable relationships with consumers, suppliers and competitors. From this standpoint, there has been developed a model for evaluating companies' position in competitive environment. Grounded on postulates of M. Porter's model of competitive forces we suggested the model that encounters quantitative and verbal parameters. Financial implications of skillful operational management bring about proper balance between amounts of receivables and payables that jointly give certain bargaining power on the market. Developed model showed three behavioral patterns toward riskiness of managerial decisions, namely high risky, medium and low-risky competitive strategies. Level of risk depends on the ability to make challenging decisions regarding sales, purchasing and financial issues. On a highly competitive market, companies retain market share by sacrificing financial indicators of receivables, payables, returns on equity and assets.

Keywords: bargaining power, benchmarking analysis, competitive environment, competitive forces, pharmaceutical companies.