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## **STRATEGY FOR THE DEVELOPMENT OF INDUSTRIAL ENTERPRISES**

**Abstract:** This article discusses the main issues of industrial enterprise development strategy

**Key words:** industrial enterprises, management, strategy, management

The term “strategic management” was introduced into use at the turn of the 60-70s. in order to indicate the difference between current management at the production level and management carried out at the highest level. The need to fix this difference was caused primarily by changes in business conditions. The development of strategic management ideas is reflected in the works of such authors as Frankenhofs and Granger (1971), Ansoff (1972), Schendel and Hatten (1972), Irwin (1974) and others.

The leading idea, reflecting the essence of the transition from operational to strategic management, was the idea of the need to shift the top management's focus to the environment in order to respond appropriately and in a timely manner to the changes taking place in it.

We can point to several constructive definitions that have been proposed by authoritative developers of the theory of strategic management. Schendel and Hatten considered it as “the process of defining and (establishing) the relationship of an organization with its environment, consisting in the implementation of selected goals and in attempts to achieve the desired state of relationship with the environment through the allocation of resources, allowing effective and efficient operation organization and its departments.

According to Higgens, “strategic management is the process of managing to achieve the mission of an organization by managing the organization’s

interaction with its environment” (Higgins, p. 3), Pierce and Robinson define strategic management “as a set of decisions and actions to formulate and execution of strategies designed to achieve the organization's purpose” (Pearce and Robinson, p. 6).

There are a number of definitions that focus on certain aspects and features of strategic management, or on its differences from "ordinary" management.

In order to give a detailed definition of strategic management, let's compare this management with the predominantly operational (let's call it conventional management), which was mainly practiced in business over 20 years ago. We will compare the key characteristics of the organization's management.

Strategic management is such management of an organization that relies on human potential as the basis of the organization, orients production activities to consumer needs, responds flexibly and makes timely changes in the organization that meet the challenge from the environment and allow achieving competitive advantages, which together makes it possible for the organization survive in the long term while achieving their goals.

Strategic management is designed to ensure the survival of the company in the long run. Of course, when it comes to survival in a competitive market environment, there is no question that the company can drag out a miserable existence.

It is very important to understand that as soon as someone from those who are associated with the company, this connection becomes not a joy, he moves away from the company, and after a while it dies. Therefore, survival in the long term automatically means that the company is quite successfully coping with its tasks, bringing satisfaction to those who enter the sphere of its business interaction with its activities. First of all, this applies to customers, employees of the company and its owners.

How can an organization ensure its long-term survival, which must be inherent in it so that it can cope with its tasks? The answer to this question is quite obvious: the organization must produce a product that will consistently find buyers. This means that the product must be, firstly, of interest to the buyer so much that he is ready to give money for it, and, secondly, of interest to the buyer more than a product similar or similar in consumer qualities produced by other firms. . If a product has these two properties, then the product is said to have a competitive advantage.

Consequently, a firm can successfully exist and develop only if its product has competitive advantages. Strategic management is called upon to create competitive advantages.

Consideration of the issue of creating and maintaining competitive advantages involves an analysis of the relationship and, accordingly, the interaction of the three subjects of the market environment.

The first subject is “our” firm producing a particular product.

The second subject is the buyer, who may or may not buy this product.

The third subject is competitors who are ready to sell the buyer their products that can satisfy the same need as the product produced by "our" company.

Competitive advantage is its price characteristic. Very often, the buyer purchases a product only because it is cheaper than other products with similar consumer properties. Sometimes a product is bought just because it is very cheap. The second type of competitive advantage is differentiation, the product has distinctive features that make it attractive to the buyer. Differentiation is not necessarily related to the consumer (utilitarian) qualities of the product (reliability, ease of use, good performance, etc.). It can be achieved at the expense of such characteristics that have nothing to do with its utilitarian consumer properties, for example, at the expense of the brand.

As you can see, all three strategies for creating competitive advantages have significant distinctive features that allow us to conclude that the company must clearly define for itself what strategy it is going to implement, and in no case mix these strategies. At the same time, it should be noted that there is a certain relationship between these strategies, and this should also be taken into account by firms when creating competitive advantages.

The possibilities of strategic management are not unlimited. There are a number of restrictions on the use of strategic management, which indicate that this type of management, as well as all others, is not universal for any situations and any tasks.

Firstly, by virtue of its essence, strategic management does not, and indeed cannot give, an accurate and detailed picture of the future; secondly, strategic management cannot be reduced to a set of routine rules, procedures and schemes. He does not have a theory that prescribes what and how to do when solving certain problems or in certain situations.

Strategic management is rather a certain philosophy or ideology of business and management. And each individual manager understands and implements it largely in his own way. Of course, there are a number of recommendations, rules and logic diagrams for problem analysis and strategy selection, as well as for the implementation of strategic planning and practical implementation of the strategy. However, in general, in practice, strategic management is:

- symbiosis of intuition and art of top management to lead the organization to strategic goals;
- high professionalism and creativity of employees, providing the connection of the organization with the environment, renewal of the organization and its products, as well as the implementation of current plans;
- active involvement of all employees in the implementation of the tasks of the organization, in the search for the best ways to achieve its goals.

Thirdly, huge efforts and large expenditures of time and resources are required in order for the organization to start implementing the process of strategic management.

The introduction and implementation of strategic planning is required, which is fundamentally different from the development of long-term plans that are mandatory for execution in any conditions.

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