

Development and Management of Business Strategy Evolution

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Abstract: This article examines the essential management components necessary for forming a comprehensive organizational development strategy in the economic environment of Uzbekistan. A detailed classification of business strategies is presented, reflecting the overall strategic potential of the organization, considering the main factors of production and the life cycle of the enterprise in the market. The structure of the management system is analyzed, and fundamental principles required for the effective development of a strategy are outlined. Additionally, the author discusses the possibility of involving external consultants from specialized consulting agencies in the strategic management process. Furthermore, the author includes unique methods for assessing the quality of developed strategies and conducting analyses that identify the distinctive characteristics of each stage in developing a comprehensive strategy.

Keywords: Integral Strategic Concept, Strategy Development Management, Strategic Effectiveness, Consulting

Introduction

Presently, in the economic realm of Uzbekistan, the prioritization and integration of innovative methodologies in strategic management across diverse sectors of corporate operations are identified as principal tasks. This trend is propelled by the nation's ambition to cultivate an innovation-focused model of economic development. The significance of formulating and employing empirically-grounded strategies in managerial practice is amplified in the context of augmenting the resilience and efficacy of business entities, alongside fortifying their positions within the marketplace. [1]. Such strategic decisions exert a significant impact on the effective allocation of limited resources and on the ability of companies to adapt to constant changes in the business environment.

In the context of economic instabilities, strategic planning focused on long-term objectives assumes particular importance. This leads to the necessity of integrating advanced methodologies of strategic management into corporate culture [2].

Within the structures of organizations, various strategic directions and programs are delineated, aimed at achieving objectives of economic, social, organizational, and other natures. In the realm of economic sciences and managerial practice in Uzbekistan, the theme of strategy development and implementation occupies a key role in the system of strategic management, attracting significant interest from researchers and practitioners.

Scientifically substantiated strategies are an integral part of organizational activities, facilitating the maximization of their potential and effective adaptation to changing conditions. The development of methodologies and approaches to strategic planning becomes a key element in the success of corporate structures. This includes the formation of managerial principles and the organization of diverse strategies for the optimal utilization and expansion of strategic resources.

The analysis of classification systems of strategies employed by domestic enterprises allows for the identification of their grouping according to various criteria. Such strategies can be classified considering financial, investment, human resources, technological, and other parameters. They can also be divided according to the stages of the enterprise's reproductive cycle, including production, procurement, marketing, and distribution strategies. Additionally, they can be categorized based on the level of market presence, such as growth strategies, limited growth strategies, reduction strategies, and combined options.

Classification of Business Strategies

In the discipline of strategic management, a multitude of methodologies prevail, covering a wide spectrum of strategic approaches. These approaches range from the creation of corporate culture and the implementation of institutional mechanisms to the application of cognitive strategies, execution of imitation tactics, and development of management and restructuring methodologies for enterprises. The integration of all these elements within the framework of the overall socio-economic strategy proposed by G. B. Kleiner represents a synthesis of various components into a cohesive managerial entity [2].

However, existing models for classifying strategies applied in enterprise development encounter several limitations. Often, they do not encompass the full spectrum of strategies, inadequately consider the life cycle stages of organizations as crucial elements, and are characterized by excessive abstraction, leading to overlaps in strategic approaches across different categories. Additional explanations are required for a deeper understanding of the essence of certain strategies [4].

As a solution to these problems, it is proposed to refine and more distinctly differentiate the classification of potential strategies for enterprises [5]. This will allow for a more thorough investigation of the diversity of strategies and identification of the overall strategic capability of an organization [6]. The new classification will take into account various types of strategies, including key aspects of production activities and the life cycle of enterprises in the market. Table 1 illustrates this comprehensive strategic classification of enterprises.

Table 1: Integrated Company Strategy

Types (strategies)	Market entry strategy	Quantitative expansion strategy	Strategy for qualitative improvement and development	Strategy for the transition period of the company's activities	Offensive-defensive strategy (stabilization)	Survival strategy	Company liquidation strategy
Production			△				
Technical and technological		△					

Market		△
Staff		△
IT	<input type="checkbox"/>	
Finance	<input type="checkbox"/>	
Innovation and investment		△
Integration and coordination	<input type="radio"/>	
Corporate culture	<input type="checkbox"/>	
Institutional	<input type="checkbox"/>	
Cognitive	<input type="checkbox"/>	
	<input type="radio"/>	
Imitation	<input type="radio"/>	
Risks and events		△
Control	<input type="radio"/>	
Reengineering	<input type="checkbox"/>	

usable
 forward-looking strategy
 mandatory

Strategy Development: Process and Methods

Each strategy within the aforementioned classification possesses individual characteristics. For instance, the market strategy focuses on product and market aspects, including the selection of assortment, product renewal, determination of types of goods or services, as well as on production volumes and product quality.

Among the various strategic directions, a special place is occupied by the strategy of qualitative improvement and development, aimed at significantly enhancing the economic efficiency of activities, which falls into the third category of the enterprise's comprehensive strategy.

The process of strategy development is multi-staged and depends on the scale of enterprises' operations in the country. Large corporations prefer structured and detailed methods of strategic planning, unlike small and medium-sized enterprises, which often use more traditional approaches.

The process of forming a strategy includes the analysis of the existing strategy, the development of a new concept, the assessment of risks for adaptation to the changing external environment, and the minimization of potential losses. Important components include the analysis of the quality of leadership and their interests in the strategy, coordination between executive employees and external consultants, and a comprehensive analysis of enterprise activities, including production, marketing, financial, and managerial aspects.

To create strategic alternatives, specialized groups focused on key functional areas such as economics, social issues, scientific and technical, and environmental aspects are formed. These groups develop various strategic options, which are subjected to assessment, ranking, selection, and transformation into specific programs, considering the available and potential resources of the enterprises [7].

Current methods of strategy development often suffer from limited creativity and flexibility in creating multi-faceted and interconnected strategic approaches. It is important to integrate various types of strategies, taking into account their unique features. Neglecting these aspects can negatively affect the effectiveness of strategy development and impact the results of strategic planning.

Integration and Coordination in Strategic Planning

Establishing a system for managing the strategic development of an enterprise becomes critically important. This system should include clearly defined goals, principles, methods, managerial functions, structure, and resources, as well as a strategy development process carried out within a comprehensive approach, as illustrated in Figure 1.

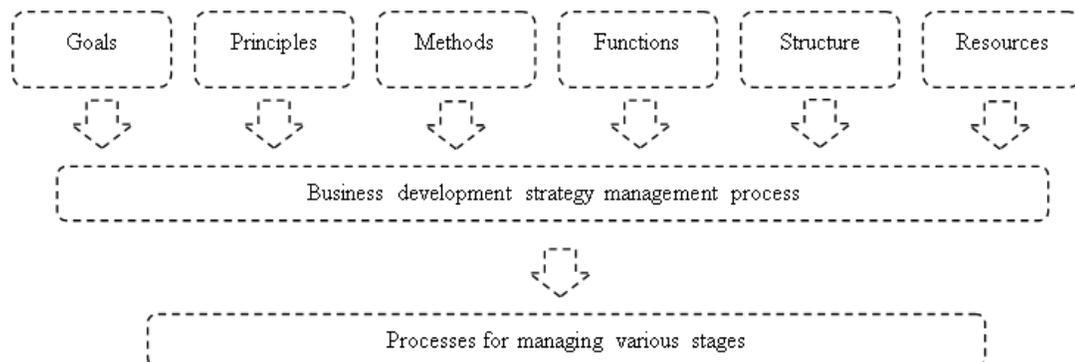


Figure 1 - Integrated Method for Determining the Content of Development Strategy

The development of an enterprise's growth strategy requires a comprehensive approach to achieving socio-economic and other objectives, activating and fully realizing the organization's strategic potential [7] [8]. In this process, a thorough analysis and consideration of all aspects of managerial functions, including diagnostics, goal setting, forecasting, planning, coordination, control, motivation, regulation, and information provision, play a key role in enhancing management effectiveness.

One of the leading models for organizing strategy development in the country is the matrix program-goal, which includes temporary working groups engaged in developing various strategic directions. This system emphasizes the importance of coordination between groups and incorporates the use of diverse resources, both internal and external.

An analysis of the literature on strategic management reveals a number of challenges faced by local companies in the process of strategy development, including limited internal resources and financial difficulties in engaging external consultants. However, since the beginning of 2017, the demand for corporate consulting services in strategy in the country has been actively growing.

Experts in management consulting and the experience of enterprise leaders confirm that the development of a growth strategy is one of the most complex tasks in strategic planning, requiring external expert support.

In the process of strategy development, the application of consulting methods plays a key role. The challenge in working with external consultants lies in their limited understanding of the unique characteristics of the organization, which can be addressed by actively involving highly qualified and experienced internal consultants. The interaction between internal and external consultants facilitates the achievement of better results.

A critical stage in managing the strategy development process in companies is the analysis of existing strategic approaches [9]. Effective execution of the strategy directly impacts the final results of the entire strategic planning process. Traditional methods of analysis include PEST analysis, Michael Porter's Five Forces Model, SWOT analysis, and strategic cost analysis [9]. The assessment of the current strategy is conducted using an expert rating on a five-point scale, where "5" indicates the maximum achievement of objectives and high quality of the developed strategy.

Each individual strategy in an organization has its unique value, expressed by the coefficient α_j , which reflects its relative importance to the overall activities of the company and ranges from 0 to 1.

The quality of the development of each specific strategy K_i is determined using the formula:

$$K_i = \alpha_j * k_i,$$

where K_i is the quality of the strategy. This approach allows for the assessment of the significance of each strategy and its contribution to the overall success of the company.

The overall quality index of strategic planning, denoted as K , is a key metric for assessing the effectiveness of the strategy development process over a specified period. An increase in the K values indicates an improvement in the quality of strategic planning. To calculate this comprehensive indicator, the following formula is used:

$$K = \sum K_i / N,$$

where N is the total number of unique strategies in the comprehensive strategy, and the summation is carried out across all strategies subject to quality assessment.

Evaluation and Analysis of Strategies

Figure 2 illustrates the key elements of a comprehensive enterprise strategy. It is important to focus on components that have not yet found widespread application in management practice, as they can offer new opportunities for improving strategic planning and increasing the efficiency of the company.

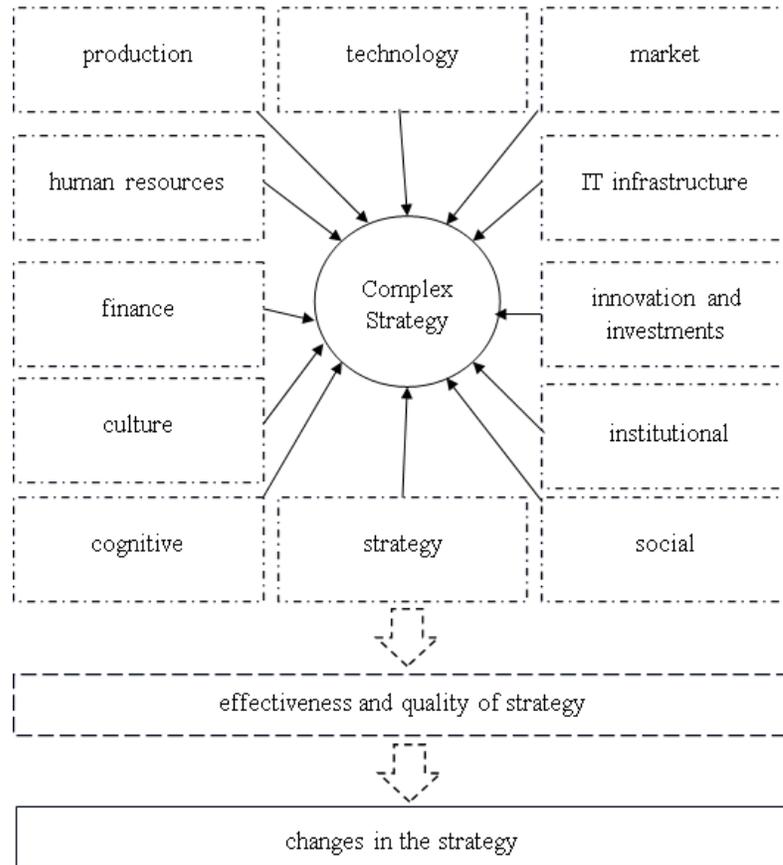


Figure 2: Components of the Integrated Company Strategy

In the context of developing growth strategies for enterprises within companies, a key importance is placed on the formation and development of principles, objectives, and behavioral models of employees, which are part of the strategy for developing organizational culture. This element of the strategy includes decisions aimed at strengthening corporate values and norms. The institutional strategy sets the structure and functions of the internal institutions of the organization, regulates their interaction with partners, and influences employee behavior within the socio-economic dynamics.

Cognitive theory plays a significant role in knowledge management within an enterprise, facilitating its dissemination and effective use. The managerial strategy includes elements of organizational structure, decision-making procedures, and organizational components involved in the implementation of selected strategies. The social development strategy considers the interests of owners and management, aiming to enhance social responsibility and strengthen trust in the organization.

In the context of using and applying the "consulting-method" approach, the aforementioned model plays a significant role in shaping strategy and refining managerial processes. At the initial stage, the personnel selection committee determines the composition of working and coordination groups, selects their leaders, and develops functional responsibilities. This is followed by the stage of selection, evaluation, and hiring of employees, including external consultants and internal staff [10].

Following this, an analysis of the current state of the external and internal environment of the enterprise is conducted, including an assessment of existing strategies, interests of management and partners, which is necessary to substantiate new strategic approaches.

In the initial phases of strategy creation, senior management forms a specialized committee to manage the working groups. This committee includes the Deputy Head for Strategic Planning, the Committee Chairperson, and other key specialists.

In the next phase, the results of the evaluation are discussed with the participation of key members of the working groups, which facilitates the making of informed decisions on the creation of new strategies. The subsequent stage involves the development of conceptual strategy projects, encompassing social, economic, and technological aspects.

In the following stages, there is a review, approval, and development of conceptual projects, and in the final stage, their endorsement by senior management and coordination with the working groups. The entire process is accompanied by project management methods to ensure effective coordination at each stage.

Conclusion

This article emphasizes the importance of developing comprehensive business strategies in Uzbekistan, highlighting the role of innovative methods in strategic management for strengthening business structures and enhancing their competitiveness. It underscores the significance of a detailed classification of business strategies and their role in the strategic potential of an organization. The article also covers a broad spectrum of strategic approaches and underscores the importance of consulting services in strategy development. Effective strategic planning requires a comprehensive approach, including the analysis of managerial functions and the realization of strategic potential to achieve socio-economic objectives. Further exploration is needed into the effectiveness of various strategic approaches in the dynamic economic environment of the country, particularly considering changes in the global economy and market conditions. It is also important to investigate the influence of cultural and socio-economic factors on the selection and implementation of strategies. Additional research will be required to assess the long-term effectiveness of integrating external consultants into the strategic planning process.

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