



## INNOVATIVE MANAGEMENT AND ITS INTERNATIONAL EXPERIENCES

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**Abstract.** *Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so that the organization can reach its stated vision. Strategic planning typically represents mid- to long-term goals with a life span of three to five years, though it can go longer. This is different than business planning, which typically focuses on short-term, tactical goals, such as how a budget is divided up. The time covered by a business plan can range from several months to several years. The product of strategic planning is a strategic plan. It is often reflected in a plan document or other media. These plans can be easily shared, understood and followed by various people including employees, customers, business partners and investors. Businesses need direction and organizational goals to work toward. Strategic planning offers that type of guidance. Essentially, a strategic plan is a roadmap to get to business goals. Without such guidance, there is no way to tell whether a business is on track to reach its goals. This article systematizes the issues of combining the goals of the innovation strategy (innovation policy) of technical, technological, organizational policy and investment policy and the introduction of new technologies, types of products, services, management methods.*

**Keywords:** *strategic planning, innovation management, business, international experience*

**Introduction.** The most important component of the on-farm mechanism of innovative enterprises should be the organization of an on-farm planning system. For this purpose, it is necessary to move on to strategic planning, the starting point of which is the identification of future needs. The chapter of strategic planning includes an analysis of both intra-company needs and external factors (competition, socio-economic processes, etc.), the search for the best use of internal capabilities, taking into account external restrictions. The central link of strategic planning is the formation of a strategy and specific implementation programs in the form of a continuous process.

Strategic innovation management is a component of innovation management, it solves a wide range of issues of planning and implementing innovative projects and programs that are designed for qualitative changes in the organization's activities in the market, production or social sphere of an enterprise (organization). It should be noted that any strategic steps of the organization are innovative in nature, since one way or another they are based on innovations in the economic, production, marketing or management spheres. Thus, the organization's development strategy provides for ensuring sustainable growth and functioning in the future and is based on the use of scientific and technological achievements in the field of engineering, organization, technology, management, that is, on a set of innovations.

However, for the purpose of planning innovation processes, it is advisable to consider innovation strategies separately. The innovation strategy (innovation policy)

involves combining the goals of technical, technological, organizational policy and investment policy and is aimed at introducing new technologies, types of products, services, management methods. In this sense, strategic innovation management focuses on achieving future results directly through the innovation process. There is no single strategy for all organizations. Each organization (enterprise, company, firm) even in one industry is unique, and the definition of its strategy is also original, therefore it depends on the position of the enterprise in the market, its potential, development dynamics, competitor behavior, the state of the economy, the social environment and many other factors. There are different approaches to establishing strategic factors and the target function based on them, which determines the type of strategy.

**Material and methods.** Castaneda considers a strategy to be a plan that allows a business to obtain important advantages over its competitors [1]. Similarly, Porter (2008), considers that strategies allow organizations to obtain competitive advantage in three ways; cost leadership, differentiation and focus. According to Porter a competitive strategy is born out of optimum understanding regarding the sector's structure and changeability both on a national and international level and structure in the sector and he adds that to compete one must manage the following five forces:

- the threat of new competitors;
- the threat of substitute products of services;
- the capacity to negotiate with suppliers;
- the capacity to negotiate with competitors;
- the level of rivalry between businesses [2].

Ross and Kami define strategies as general action programs which commit

resources and emphasis towards the implementation of a basic mission. For Steiner strategies refer to those actions carried out by the leadership of a business in response to actions or possible actions by the competition [3].

According to Mintzberg and Quinn strategies are patterns or models of decisions that determine and reveal the objectives, resolutions or goals of a company; furthermore these patterns produce the main policies and plans needed to achieve the aforementioned goals as well as defining the business sphere which the company aspires to operate within, the type of organization is aspires to be both on a human and economic level and the precise nature of contributions both monetary and non-monetary that the company intends to provide to shareholders, employees, customers and communities [4].

According to Steiner organizations learn how to integrate innovation into their own development strategy and to match their own development strategy with the innovation process, which will achieve differentiated competitive advantages and will be able to "optimize" their effort in generating added value at the technologies, products and services levels [5].

According to Maier innovation management is a component of the organization's general management that through its policy and strategy, determines the management of an innovation process [6].

According to De Prato et al. (2015) innovation projects contribute between 6 and 30% of additional revenue, with an average of about 20%, which is significant compared to general revenue growth rates ranging between 5 and 10%. Innovation management also generates savings, close to 10% on average. In other words, while the importance of innovation is predictable, the question remain how to achieve excellence in innovation management [7].

**Results.** As an element of the innovation management system, strategic planning is a more or less independent subsystem that covers a set of special tools, rules, structural bodies, information flows and processes aimed at preparing and implementing plans.

Strategic planning can be viewed as a system of actions and decisions taken at the top hierarchical level of management in order to develop a strategic plan for a certain perspective, containing specific steps to implement the strategic goals and objectives of the organization. The process of strategic planning is based on the results of the previous stages of innovation management - analysis and forecasting of the innovative development of the enterprise.

The most important principles of strategic planning are as follows:

1. adaptation of an innovative enterprise to the external environment;
2. stability, which ensures the correct choice of the direction of development of science as an internal component of production, as well as product sales markets;
3. market validity;
4. selectivity, highlighting key factors, problems and tasks of certain strategic business areas (market segments), which allows you to determine priority areas for the development of the organization;
5. variance of planned calculations in terms of achieving the goals of the organization, constant competitiveness, financial security and other criteria;
6. the complexity of strategy development.

Planning as a process involves the development of a set of measures that determine the sequence of steps to achieve

specific goals, taking into account the possibilities for the most efficient use of resources both by each production unit and the entire organization as a whole. Therefore, the planning process requires ensuring interaction between individual structural divisions of the enterprise, including the entire technological chain: research and development, production and marketing. Strategic innovation planning is fundamentally different from other types of planning that take place in management, such as operational, tactical and long-term. This difference lies in the direction of the planning vector. Traditionally, the planning vector is directed from the past (present) to the future. Strategic planning involves building a vector of analysis and adoption of managerial innovative decisions from the future to the present. Strategic planning creates a bridge to the future and is used to move an organization from where it is now to where it wants to be. At the same time, new capabilities of the enterprise (organization) are being developed, for example, changing the profile of the enterprise, a radical change in technology, expanding production capacity by creating new enterprises in different regions of the country or the world, and the like.

**Discussion.** In general, strategic planning is the process of deciding: "What to do? When to do it? Who will do it? By what methods to ensure the achievement of strategic goals?" Strategic objectives are those specific milestones that innovation is aimed at, for example, the development of a new type of product (strategic objective) that will provide a competitive advantage in the future (strategic objective).

So, *strategic planning* is to define and present through a system of strategic goals, objectives and course of action, a picture of the desired state of the enterprise

in the future.

Strategic planning in comparison with its other types has certain advantages:

Encourages (forces) leaders of all levels to think strategically, prospectively;

Carries out the target orientation of all participants to achieve a general goal directed to the future, to the joint development and implementation of any innovative project or development program for the organization as a whole;

Leads to a clear coordination of the efforts of the managerial link at various levels of the organizational structure;

Coordination is carried out as a preliminary agreement on actions in the preparation of plans and as an agreed response to obstacles and problems that arise during the implementation of plans;

Forces the management of the organization to clearly define the tasks of each structural unit, as well as personal ones in the implementation of strategic goals;

Leads to the establishment of performance indicators of the organization as an objective basis for effective control. Plans define the desired and necessary state of the functioning of the enterprise as a system for a certain period. Comparison of the actual values of the parameters with the planned ones makes it possible to evaluate the activities of the organization, the dynamics of movement towards the achievement of the set strategic goals;

Contributes to the strengthening of relationships and communications between all parts of innovation management, between specialists and managers who occupy various positions in the organizational structure, the distribution of responsibility for the future activities of the company;

Contributes to the information support of the participants in the innovation process; plans contain for each participant

important information about the goals, forecasts, resources, timing and administrative conditions for the implementation of innovative processes;

Forces the management of the organization to clearly implement the function of motivating participants in innovative activities; the successful implementation of strategic tasks and plans is the object of special stimulation and the basis for mutual settlements, creates conditions for the productive activities of all participants;

Strategic planning is the only way to formally anticipate future problems and opportunities, which provides top management with the ability to create plans for the long term and provides a basis for reducing risk in making decisions about the future.

Along with the advantages, strategic planning also has disadvantages, among which the important ones are:

- strategic planning does not provide a detailed description of the future, its result is a qualitative description of the state to which the company should strive in the future, what position it should occupy in the market in order to ensure competitiveness, in what directions to conduct research;
- strategic planning does not yet have a clear algorithm for the development and implementation of the plan;
- strategic planning is often associated with insufficient information to justify strategic decisions, which can lead to expectations from innovations;
- The strategic planning process is resource and time intensive compared to traditional planning.



Innovation strategy refers to the level of functional strategies. This means that it, together with the marketing, production, financial strategies of the enterprise, is a sub-strategy of the overall business strategy. At the same time, for some aggressive innovative enterprises, the strategy in the field of innovation is the most significant element of corporate strategy. In any case, the innovative strategy of an enterprise should be organically linked to the business strategy and focused on the implementation of common strategic goals and principles in the innovation sphere.

Regarding the internal environment, innovation strategies are divided into several large groups:

- 1) product (portfolio, aimed at the creation and sale of new products, technologies and services);
- 2) functional (scientific and technical, industrial, marketing, service)
- 3) resource (financial, labor, information, logistical)
- 4) organizational and managerial (technologies, structures, management methods).

M. Porter proposed a classification of competitive strategies of companies, within which two basic directions for achieving competitive advantages are identified.

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