



STRATEGIC PLANNING IN THE INDUSTRIAL ENTERPRISES AND ISSUES OF ITS IMPROVEMENT

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Annotation

The purpose of the research is to analyze the activities of industrial enterprises in Namangan region from a scientific and practical point of view, to develop proposals for the formation and planning of management strategies. Strategic planning in management is the process of documenting and establishing a direction of your small business-by assessing both [where you are and where you're going](#).

Keywords

Strategic planning, management, small business, reviewing the internal and external factors, systematic approach, managing strategic change, successful development, formulation and implementation.

Introduction. A systematic method of strategic planning is anticipated to be easily understood and straightforward, based on fundamentals, and to be universally applicable for any type of business. Accordingly, this methodology is generated for the purpose of assembling the disconnected and disorderly ideas, processes, and techniques (written on strategy and business development) under the same roof, in order to develop a systematic methodology that is easily understandable and applicable.

As many sources exhort managers to "think strategically" or prescribe "strategic leadership" to helicopter out of tactical day-to-day management, only a few address how to make this happen. Where strategic analysis tools are explained, this is most frequently done conceptually rather than practically on how to utilize the tools for strategic planning. Moreover, as fondly as it may sound, there is an exact approach or systematic thinking on this issue; our intention is to bring in a new perspective to the reader and, more significantly, to provide a different benefit by the application of this systematic methodology.¹⁰

Main part. A strategic plan provides guidance for the preparation of functional plans and business budget in such a manner that they reflect the

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objectives, goals, and grand strategies of the strategic plan during the implementation phase, as well as for basing resource allocation on priorities.

Functional plans are more specific than a business strategy to guide functional actions taken in key parts of the company to implement business strategy (see Figure). Business strategy provides general direction. Functional plans give specific guidance to managers responsible for accomplishing annual objectives to ensure that managers know how to meet annual objectives.

Specific functional plans improve the willingness of operating managers to implement strategic decisions, when those decisions represent major changes in the current strategy of the firm.

Functional plans are delegated by the business-level managers to principal subordinates charged with running the operating areas of the business. Operating managers similarly establish annual objectives and operating plans that help accomplish business objectives and strategies. The involvement of operating managers contributes to a successful implementation. Most critically, active involvement increases commitment to the strategies developed.

It is difficult to generalize about the development of plans across functional areas. Within each functional area, the importance of key variables varies across business situations.

In summary, strategic planning helps a business answer the following four basic questions:

- Where are we?
- Where do we want to go?
- How can we reach our target destination?
- How can we monitor and evaluate our success?

Answers to the above questions make up the strategic planning process. The answer to the question “where are we?” enables a status analysis involving a comprehensive review and evaluation of the internal and external environment, in which the business operates.

The answer to the question “what do we want to achieve?” lays down: the strategic objectives, which represent the conceptual results towards which efforts and actions will be designed, as well as the goals, which represent measurable results required to be achieved so that the objectives can be attained, in the light of the mission, which is a brief expression of the reason for being of the business; the vision, which is a conceptual, realistic, and brief expression of the desired future; and the basic principles that guide the operations of the business.

The main strategies, which are the decisions to be used to achieve strategic objectives and goals, answer the question “How can we reach our target destination?”

Finally, compilation of management information, monitoring for reporting of implementation plan, the evaluation of the extent to which the results achieved are consistent with the previously established mission, vision, basic policies, objectives and goals (i.e. performance evaluation) and the assessment process implying the review of the plan in the light of the results answer the question “How can we monitor and evaluate our success?”

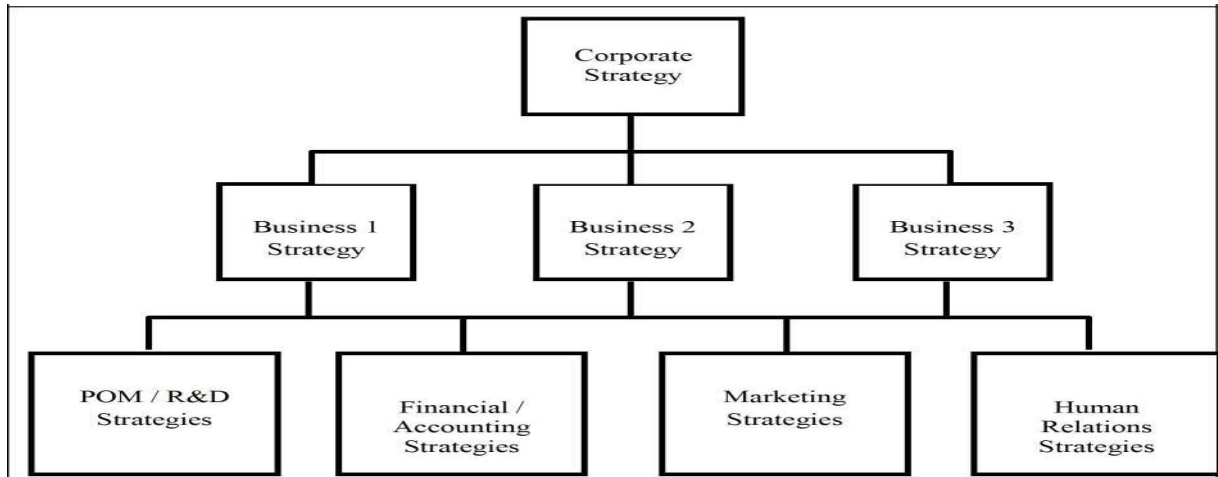


Figure 1. Levels of strategies

Systematic Strategic Planning (SSP)

Systematic Strategic Planning or SSP is the pattern of procedures (see Figure) by which an organization defines its current status, opportunities, long-term goals, and the strategies for which to achieve them.

Deviations from goals must be identified by following up the performance indicators and the reasons of these deviations must be analyzed. If changes are observed, in terms of the above considerations, unexpected or undesired results are coming about or existing strategic objectives and goals are not realistic, then the plan is revised, re-evaluated, and is continued to be implemented with its updated version.

Basic questions in monitoring and evaluation are:

- What did we do?
- How do we understand that we have achieved?
- How effective is implementation?
- What should be changed?

Systematic Strategic Planning – Three Fundamentals

The Fundamentals of strategic planning, the basis on which any strategic planning must rest, are Competitive Advantages, Scenarios, and Strategies.

Competitive Advantages

“Competitive Advantages” is fundamental A. As a result of investigating internal and external factors, weaknesses and strengths of the organization are determined. Based on the comparison of the strengths with market conditions, the unique strengths (i.e. competitive advantages of the organization) are determined.

Scenarios

“Scenarios” is fundamental B. Scenario analysis is made on external factors – macroeconomic analysis, industry analysis, etc. By this analysis, negative and positive scenarios are determined. These scenarios help to predict the industry’s future.

“Strategies” is fundamental C. It is the fundamental that helps the organization to define how to reach the opportunity, which is brought out by matching fundamental A, i.e. competitive advantage, with fundamental B, i.e. scenarios. This fundamental characterizes the process that organization should follow in order to reach the opportunity, and guides the organization about how it should be done.

Systematic Strategic Planning – Sections consists of a pattern of five sections for straightforward planning to determine the three fundamentals involved in any strategic planning project (see Figure 2).

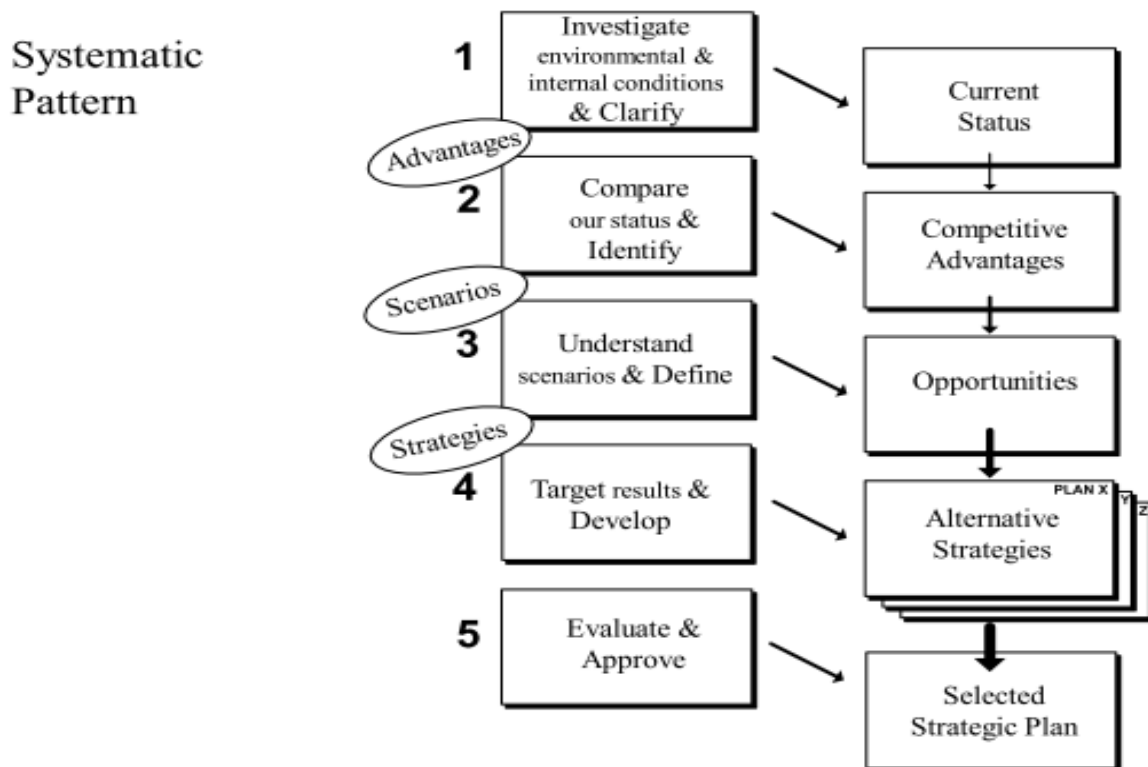


Figure 2. Sistematic strategic planning - sections

Since, the first section of SSP is to answer the question “where are we?” this requires a comprehensive status analysis. Status analysis essentially covers the following assessments:

- Analysis of the internal structure of the organization—the duties and authorities, performances, problems, potentials, institutional culture, human resources, technology level, etc.
- Environmental analysis—analysis of external conditions as well as the environment, in which the organization operates and related parties (target group of the organization and parties affected negatively or positively from the organization’s activities).

Results and discussion. According to the table, Namangan region produced 7174.3 billion soums of industrial products in 2021, which is 43.4 % more than in 2019, and shows the effective use of *growth strategies* and *diversification strategies*. Significant changes in dynamic growth were observed in the production of paper and paper products, basic pharmaceutical products and drugs, electrical equipment, transport sparks. However, the production and display of written materials, the metallurgical industry, the production of computers, electronic and optical products, the production of vehicles, trailers and semi-trailers decreased in 2021 compared to the previous 2019. Due to interruptions in the supply process, production capacity has declined. A *reduction strategy* can be seen in these directions.

The dynamics of production of consumer goods in the region has also grown. We continue our analysis using the table below.

According to the table above, the growth dynamics in household food and non-food products in 2021 can be seen to have increased by 79.3 % and 38.3 %, respectively, compared to the previous 2019. The production of consumer goods has also increased in micro and small enterprises , as well as in individual labor activity.

We also analyze the sales of industrial and consumer products produced by businesses using the data in the table below.

Table 1

Indicators of retail trade turnover of small businesses in Namangan region (billion sum)

No	Name of cities and districts	2019	2020	2021	The rate of change, the of 2021 to 2019, in %
1	Namangan sh.	3125.8	4111.4	4815.5	154.1
2	Mingbuloq	185.3	194.7	216.3	116.7
3	Kosonsoy	534.1	596.1	654	122.4
4	Namangan	264.8	302.8	356.6	134.7
5	Norin	451.1	511.3	612	135.7

6	Pop	562.3	658.8	703.1	125
7	Turakurgan	451.3	501.7	678.8	150.4
8	Home	247.3	398.7	507.7	205.3
9	Uchkurgan	304.6	403.9	549	180.2
10	Chortok	267.2	361	499.3	186.9
11	Chust	356.2	385.1	415.1	116.5
12	Yangikurgan	476	521.6	604.9	127.1
	By region	7226	8947.5	10612.3	146.9

Source: Based on data from the regional statistics department, developed by the author.

According to the table above, the retail trade turnover of businesses in the region in 2021 compared to 2019 increased by 46.9 % or 3386.3 billion sum. At the same time, the increase in retail sales in Namangan, Namangan, Naryn, Turakurgan, Uychi, Uchkurgan and Chartak districts of the region contributed to the growth of gross retail sales in the region. Entrepreneurs in the region also provide various services to the population. We analyze the volume of services provided in recent years using the data in the table below.

Table 3

Indicators of the volume of services provided by small businesses in Namangan region (billion sum)

No	Name of cities and districts	2019	2020	2021	The rate of change, the of 2021 to 2019, in %
1	Namangan sh	2483.9	2659.9	4532.1	182.5
2	Mingbuloq	114.2	149.2	481.6	421.7
3	Kosonsoy	366.6	375.1	761.2	207.6
4	Namangan	244.1	296.6	687.3	281.6
5	Norin	116.9	151.9	374.1	320
6	Pop	291	349.5	871.1	299.3
7	Turakurgan	298.4	348.6	799.9	268.1
8	Home	234.6	291.7	579.8	247.1
9	Uchkurgan	233.3	272.4	597.7	256.2
10	Chartoq	231.1	279.6	578.3	250.2
11	Chust	307.6	359.8	744.2	241.9
12	Yangikurgan	254.6	307.8	779.5	306.2
	All	5176.4	5842.3	11786.8	227.7

Source: Based on data from the regional statistics department, developed by the author.

In 2021, businesses in the region provided services worth 11786.8 billion sum. This is an increase of 127.7 % or 6610.4 billion sum compared to the previous 2019.



In 2021, the volume of services provided has increased in all districts and cities of the region. This indicates that new types of services are also on the rise.

Assumptions imply the external factors that are not under the direct control of the business preparing the strategic plan, but that can affect the progress and success of the strategic plan. After reviewing sociocultural factors, technological factors, political environmental, legal conditions, macro-economic factors, and variables originating from international system in the environmental analysis, the tendencies of related parties such as competitors, customers, and suppliers must reflect onto the systematic of strategic planning as assumptions.

In order to promote various ideas during this section, seminars, panels or brainstorming meetings must be organized with experts, both within and outside the organization.

Conclusions. In conclusion, taking into consideration the characteristics of the business that offer competitive advantages, the potential opportunities for the business in the industry are identified.

The opportunities and threats that may be offered and posed for the organization by positive and negative scenarios revealed, by scenario analysis, must be identified. Furthermore, identification of the organization's competitive advantages and weaknesses relative to competitors and industry standards could lead this section to an efficient result.

The aim of systematic strategic planning (SSP) is to force a look into the future and, therefore, provides an opportunity; to influence the future, or assume a proactive posture; to provide better awareness of needs and environment; to help define and focus on the objectives of the organization; to provide a sense of direction, continuity, and effective leadership; and to plug everyone into the system and provides standards of accountability for people, programs, and allocated resources.

Systematic strategic planning—shortened version consists of only six steps. Planning specialist may combine Phases II and III under the shortened SSP version. Phase IV is defined as step 6 in the shortened SSP version. Therefore, shortened SSP constitutes a six-step method intended to identify the three fundamentals. The use of shortened SSP version is more suitable for the development of strategic plans for small and medium-sized enterprises (SMEs).

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