

THE CHARACTERISTICS OF STRATEGIC PLANNING IN THE PROCESS OF MANAGEMENT

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Abstract:

Strategic planning is the process of developing a comprehensive plan to achieve a company's goals and objectives. It serves as a foundation for managing the enterprise, bringing together all levels of the company. The strategic planning process is also the primary tool for making management decisions.

Keywords: management, strategic planning, strategy, business, organization, enterprise, improvement.

Introduction

Currently, Uzbekistan boasts over 300,000 proprietary enterprises across various industries and sectors, with 280,000 being small businesses and private enterprises. Their production activities are undoubtedly planned and managed to fully satisfy market and consumer demand. In practice, it is evident that each enterprise devises its strategy for the present and future when planning production activities.

Strategic planning is a management process that aims to develop the company's goals and ways to achieve them. Its main task is to introduce changes and innovations related to the organization. Strategic planning is not only the responsibility of the manager but should involve employees at all levels of the enterprise. The main concepts of strategic planning include determining the mission of the company, identifying core competencies, establishing a future vision for the company, and setting goals, tasks, and strategies to achieve them. Strategic problems that hinder the achievement of goals should also be addressed.

Even those who advocate for market relations, and believe that planning is completely incompatible with the market, no longer strictly adhere to their previous views. Time and life experiences, particularly the experiences of many foreign companies, firms, and enterprises, confirm the importance of planning and forecasting.

The enterprise is not only a market entity but also an element of the state system. It cannot be completely independent of the state administration system and policy. Reforms aimed at liberalizing market relations in countries with a centralized economy bypassed the production process and significantly changed the system of labor motivation and planning in enterprises, regardless of ownership.

Management experts suggest that the planning and management system should prioritise the interests of employees to enhance the quality and efficiency of work, which is crucial for the company's development.

However, achieving this requires skilled organisation, science-based planning and management, and adequate resources. Today, the quality of working life is more important than people's material interest in production work.

For instance, Kim Woo-jung, the CEO of the South Korean multinational company 'DEU', emphasises the importance of personnel in business, stating that 'people are of incomparable importance' and 'superior to everything'.¹ He believes that paying attention to personnel issues is crucial for a company's success, as it is people who work in companies and determine whether they prosper or experience a crisis. Similarly, the Japanese company 'Matsusita' has adopted the slogan: "Matsushita creates people before creating things."

A competent and influential leader's primary responsibility is not only to devise the strategic planning process but also to execute and assess it accordingly.

In this case, the strategy enabled the formation of a general idea for the future. The planning process and a direct strategic plan provide the enterprise with clarity and individuality, allowing it to attract certain types of employees while not attracting others. This plan opens up prospects for the enterprise, attracts new employees, and contributes not only to the production of products but also to their sale.

¹ Yuldoshev N.Q., Khodzhamuratova G.Yu. Strategic management-2. - Textbook. T.: TDIU 2013

During the planning process, it is important to address two key questions: how to select a strategic goal that aligns with the current market situation and does not hinder the enterprise's ability to perform its During the planning process, it is essential to address two critical questions:

- 1) how to choose a strategic goal that does not create any obstacles for the enterprise in the performance of current tasks related to the market situation;
- 2) how to form material, financial and labor resources to adequately and effectively respond to the most difficult and unexpected events and external trends based on strategic goals.

Strategic planning depends on how correctly the main goal is chosen and accepted. Similar studies show that the goal should meet the following criteria:

- ❖ goals should be clear and measurable;
- ❖ the period (term) must be clear;
- ❖ feasibility;
- ❖ it is possible to ensure coordination;
- ❖ to have priority.

The first criterion for a goal in strategic planning is that it must have a clear normative dimension. For instance, 'increasing employee growth between service levels by approximately 10-15% during this period' or 'producing a high-quality product at a low price'. By setting such goals, the leader establishes quantitative targets for the future development of all departments.

The second criterion for strategic planning is to clearly define the forecasted time period. Strategic planning can be categorized as long-term (over five years), medium-term (one to five years), or short-term (one year).

The third criterion of purpose in strategic planning is crucial for two reasons. Firstly, failing to achieve the planned goal can cause significant harm to the enterprise, even leading to bankruptcy. Secondly, setting an unattainable goal can hinder employees' progress towards success, resulting in decreased production efficiency.

The fourth criterion for strategic planning is to consider goal alignment. This depends on the skills and qualifications of the manager. The main goal and

additional goals should not conflict with each other and should not create difficulties.

The fifth criterion for achieving the goal relates to the strategically planned object, with attention paid to its priority. This includes utility, market segments, financial resources, innovation, social protection, and more.

Unlike the previous command system, many enterprises, particularly micro-enterprises and small businesses, plan and approve independently. However, production activities are still planned using the same indicator system as before, which is divided into qualitative, quantitative, and comparative indicators. Quantitative indicators include gross and product volume, sales volume, number of employees, wages, and funds. The amount of profit or income is an absolute indicator that includes the consumption of production resources.

Quality indicators are values that reflect the economic efficiency of production, including factors such as increased labour productivity and decreased production costs. The series may also include indicators representing quantitative measures such as production profitability, capital intensity, and product quality.

Volume indicators determine the absolute value of production, its individual processes, and the factors involved. For instance, this line includes the volume of gross and sold products, the amount of wages, and the total profit.

Comparative indicators describe the weight of two or more interrelated indicators and the ratio of unit cost. These indicators include consumption of metal, electricity, and fuel per unit of production, as well as capital investment per unit of production capacity and the weight of premiums in the sum of payments.

They are used both in the planning process and in the analysis of the economic activity of the enterprise.

As the planning and regulation of an enterprise's activities during the production process are not extensively studied and summarized by modern science, it can be challenging to organize production effectively.

Practice is often more advanced than theory, but it is still necessary to regulate the predetermined indicators of the enterprise's activity. This depends not only on changes in consumer demand but also on new situations in the life of the enterprise, the economic environment, relations with raw material suppliers, and the political situation.

The fact is that what is produced today may not be needed tomorrow or the day after. Therefore, planning should focus not only on today, but also on tomorrow. No enterprise can ignore the perspective in its activity. This is the main rule of enterprise stability in market conditions. All employees, especially the management of the enterprise, should be clearly aware that any work that can be done easily today will be difficult or impossible in 3-5 years. Thus, the regulation of predetermined planned (forecast) indicators can be considered as an integral part of forecasting and planning of enterprise and production activities.

In conclusion, In market conditions, every enterprise aims to ensure its well-being through continuous production growth, product quality improvement, timely sales, and planned profit. As a result, enterprise activity is multi-purpose and dynamic. An enterprise that focuses on scientific and technical development, strives for effective use of production capacities and resources, and can respond to market conditions in a timely and efficient manner will develop and flourish.

In this case, strict planning of the future situation does not justify itself. A long-term program is required that takes into account market conditions and competition, and allows for changes to the product description based on demand. This task is usually performed by regulating the indicators determined during the current planning process of the long-term activity of the enterprise. Therefore, many enterprises are compelled to promptly modify their production technology to adapt to changing market conditions. This involves expanding the capabilities of equipment and devices, homogenizing components and materials, improving product quality, and expanding the product range.

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