THE ESSENCE OF PLANNING IN BUSINESS PROCESSES

Omanova Nargiza Rustam qizi
International school of finance and technology Teacher of fundamental economic sciences faculty, Uzbekistan

Abstract

Planning is a fundamental component of business processes, serving as the strategic foundation for achieving organizational goals. It involves setting objectives, identifying resources, and designing a sequence of actions to ensure efficient execution. Effective planning enhances decision-making, minimizes risks, and aligns day-to-day operations with long-term visions. It also enables businesses to adapt to dynamic market conditions by forecasting potential challenges and opportunities. As a proactive approach, planning improves coordination across departments, optimizes resource utilization, and supports performance evaluation. In essence, planning transforms abstract goals into actionable steps, making it indispensable in driving sustainable business success.

Key words: business strategies, planning, market, companies, industry, approach.

INTRODUCTION

In the modern business world, while fierce competition is increasing, there are many companies that are doing successful business, for example, Apple entered the music, music players and technology industries in 10 years and became their dominant seller. Netflix is one of the companies that managed to increase the number of its shares 10 times in 5 years, while Walmart has become the largest retail chain in the world. The success or failure of companies largely depends on their strategic approach. In order to survive in the rapidly changing business world and become a leader in their market, companies must have a properly developed business strategy.

Choosing a strategy in business is one of the leading issues in management. If the goals of the organization determine what the organization strives for, what it wants to achieve as a result of its activities, then the strategy answers the question of what actions the organization can take in a changing and competitive environment. The word strategy comes from the Greek word strategies, which means "general art". A strategist is a leader with high authority. According to I. Ansoff, the essence of the strategy is a set of rules that an organization uses to make decisions in managing its activities. In the modern era, the strategy of an enterprise determines the goals, means and boundaries of the actions it can take. The term "business strategy" means a plan for managing a specific area of he company's activities. It includes directions and approaches developed by the company's management to achieve maximum performance indicators. Achieving maximum performance or gaining competitive advantage is achieved by making four interrelated strategic choices:

There are four main types of business strategies, which reveal four different approaches that lead to company growth:

Figure-1. Approaches to implementing business strategies

Market strategy is a company's strategy focused on target markets, aimed at satisfying customer needs and strengthening its position in the market. Pricing policy, marketing strategies and customer service play an important role in this approach. Coca-Cola and Pepsi have expanded their market share by targeting their products to different segments through competitive strategies.

Industry strategy is a strategy for achieving a competitive advantage in the industry in which a company operates. This approach involves taking advantage of key trends, innovations, and technological advances in the industry. Tesla has achieved leadership in the electric vehicle market through technological innovation.

Product strategy is a company's approach to achieving growth by improving, diversifying, and adapting its products and services to market demand. Product innovation and quality management are central to this approach. Apple releases new iPhone models every year, updating its product strategy, and offering innovative solutions to customers.

Technology strategy is the application of advanced technologies and innovations to ensure competitive advantage. This strategy includes elements such as digital transformation, automation, and the use of artificial intelligence. Amazon is providing customers with fast and efficient service by implementing artificial intelligence and automated warehouses in its logistics and delivery system.

Enterprise positioning strategy is a strategy to expand the company's position and influence in the entire ecosystem. This approach focuses on collaboration, vertical and horizontal integration, and global development. Google is increasing its competitiveness by developing services such as the Android operating system, Google Cloud, and YouTube in an interconnected manner to expand its ecosystem.

The formation of business strategies in enterprises is different. In many cases, enterprise managers do not spend much time on creating a business strategy, trying to solve this problem based on limited information and recent experience. The correct organization of a clear business management process for the creation of a business strategy in an enterprise can be an important factor in making this direction more important in the enterprise. The organization and implementation of the business management process is carried out through a correct analysis of the external and internal environment and situation of the enterprise.

Types of Business Strategies

A business strategy is a plan of actions and decisions that a company plans to take to achieve its goals and objectives. A business strategy defines what a company needs to do to achieve its goals, which helps guide the decision-making process for hiring and allocating resources. A business strategy helps different departments work together, and departmental decisions support the overall direction of the company. Many scholars have formulated strategies that can lead a company to success, and they have not lost their relevance to this day.

1-table

Scientific founders of business strategy and their principles

Scientics	Main ideas and contributions	Main literature
Michael Porter	Competitive advantage, industry analysis, Porter's Five Forces model, general strategies (Differentiation, Price Leadership, Focus).	*Competitive Strategy* (1980), *Competitive Advantage* (1985)
Henry Mintzberg	Strategy development, strategy formation and categories (5P model: Plan, Play, Pattern, Position, Perspective).	*The Rise and Fall of Strategic Planning* (1994), *Strategy Safari* (1998)
Igor Ansoff	Growth strategies (Ansoff matrix: market penetration, product development, market development, diversification).	*Corporate Strategy* (1965)
Peter Drucker	Management theories, strategic planning, innovation and enterprise performance.	*The Practice of Management* (1954), *Management: Tasks, Responsibilities, Practices* (1973)
Clayton Christensen	Innovation strategies, theory of disruptive innovation (Disruptive Innovation).	*The Innovator's Dilemma* (1997), *The Innovator's Solution* (2003)
Gary Hamel & C.K. Prahalad	Strategic competition, the company's core competence (Core Competency).	*Competing for the Future* (1994)
W. Chan Kim & Renée Mauborgne	Blue Ocean Strategy – creating uncompetitive markets.	*Blue Ocean Strategy* (2005)
Richard Rumelt	Principles that distinguish good and bad strategies, analysis of strategic concepts.	*Good Strategy Bad Strategy* (2011)

Differentiation strategy - a company seeks to achieve market leadership by offering its products or services that are different from those of its competitors. This strategy is implemented through factors such as quality, innovation, brand image, and customer service.

Price leadership strategy - a company seeks to gain market dominance by producing products or services at a lower price than its competitors. The main goal is to sell in large volumes and increase profits by reducing prices.

Focus - a company focuses on a specific market segment or customer group. The Focus strategy is used in conjunction with one of the Differentiation or Price Leadership strategies.

Market penetration - Market penetration involves expanding market share by maximizing sales of existing products or services to an existing customer base. This strategy aims to capture more of the market through aggressive marketing and sales tactics. This may include offering special promotions to encourage repeat purchases, expanding distribution channels, or improving customer service.

Segmentation is another type of growth strategy that divides the customer market into smaller groups, also called segments, based on various criteria, including customer interests, location,

age, or occupation. A business can implement market segmentation as a growth strategy to develop companies that directly target each segment.
Diversification is a business growth strategy that involves developing and selling new products to new customer markets. This can be a difficult strategy to implement because it can involve extensive product and consumer research. However, with the right market analysis and research, a company can be very successful through innovative approaches to attract a wider range of customers. Organic growth is the process of a company expanding its capabilities. In an organic growth strategy, a business uses all of its own resources to expand its operations and grow the company without borrowing.

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