

## METHODOLOGICAL BASIS OF MANAGEMENT STRATEGY FOR EXTERNAL MARKET ACTIVITIES

**Sultonov Muxiddin Mamatyusufovich\***

\*Independent Researcher,  
Tashkent State University of Economics,  
Uzbekistan

Email id: mukhiddin.sultonov@mail.ru

**DOI: 10.5958/2249-7137.2021.02544.1**

---

### ABSTRACT

*The article examines the processes related to the essence and methodological basis of the enterprise foreign market activity management strategy. Factors influencing the formation of the management strategy of the enterprise's external market activities and opportunities to increase their operational efficiency are analyzed. External market activity management strategy is based on optimization-oriented actions and ways to implement them. Scientific proposals and practical recommendations aimed at improving the management strategy of the enterprise's external market activities have been formed.*

**KEYWORDS:** *Foreign Economic Activity, Management Structure, Market Conjuncture, Strategic Management, Strategic Management System, Export Potential, Market Mechanism, Target Market, Strategic Position.*

---

### INTRODUCTION

The process of consistent implementation of reforms to ensure the globalization of the Republic of Uzbekistan in the world economy requires the formation of mutually beneficial economic cooperation and the formation of a systematic program of measures to increase their efficiency. In this regard, it is necessary to pay special attention to the management strategy of foreign market activities, which effectively influences the formation of a complex system of economic development.

As the efficiency of industrial enterprises depends on a long-term development strategy, there is a need to create opportunities for a stable and strong position in the market. At the current stage of modern market relations and globalization, many strategies used in the activities of industrial enterprises still do not allow to adapt to the changing conditions of the external and internal environment. In particular, this situation plays an important role in the activities of the automotive industry.

The Action Strategy for the Further Development of the Republic of Uzbekistan for 2017-2021 identifies a number of priorities, such as "deepening structural changes, increasing the competitiveness of enterprises and increasing export potential." This system of targeted actions and measures aimed at them is reflected in the Resolution of the President of the Republic of Uzbekistan dated July 18, 2019 No PP-4397 "On additional measures for the accelerated development of the automotive industry of the Republic of Uzbekistan." In accordance with this

---

decision, to ensure the rapid development of the automotive industry and increase its investment attractiveness,

Ensuring the effective implementation of the above priorities is important to study the retrospective indicators in the strategic management system of the automotive industry, to identify the conditions and factors affecting the future sustainability of the enterprise.

## LITERATURE REVIEW

Research aimed at optimizing the management strategy of foreign market activities of industrial enterprises, adapting the production of industrial products to the level of demand, the selection of an excellent management strategy and the development of methods for its implementation were conducted by foreign economists S.V.Petrov, O.V.Strelkovas [3]. D.M.Dolmatov's research examines the conditions and factors for the formation of a management system aimed at increasing the competitiveness of the enterprise in domestic and foreign markets. ng role, aspects related to the role of information technology development in adapting the management system of automotive enterprises to the requirements of the consumer market are studied [4]. A.Burinskien's research studies the process of developing the organizational and economic mechanism for the development of foreign economic activity of enterprises, to determine the ability of enterprises to develop international trade, to ensure the adequacy of the management mechanism, taking into account the new conditions for enterprises [5]. It is important to assess their ability to respond and adaptP.V.Mikhailushkin, N.P.Gusakov, N.A.Volgina, I.N.Belova, A.S.Lukyanets. The research conducted by the study of the conditions and opportunities for the coordination of external market activities of the enterprise in ensuring the priority of the market economy, in this process is recommended to ensure the stability and reliability of all obligations of the enterprise. It is also recommended to expand foreign market opportunities by expanding international action programs and projects related to external market risk [6]. N.Khalipova, A.Bosov, A.Progonyuk study the processes of maintaining the company's share in the domestic market, expanding export trade and increasing its competitiveness, creating an institutional framework for adapting the management system to the requirements of the consumer market in integration [7].

The above research examines the processes associated with the coordination of internal and external market activities by ensuring the innovative development of the strategic management system of enterprises, which is characterized by the lack of formation of the essence and methodological framework of management strategy of external market activities.

## RESEARCH METHODOLOGY

The article used a number of research methods such as structural analysis, logical abstraction, induction and deduction, logical reasoning, and scientific observation.

## ANALYSIS AND DISCUSSION OF THE RESULTS

The process of managing the external economic activity of the enterprise has a complex structural nature, and the structural structure of the management structure affects the external market conditions. The conditions of modern market relations require enterprises to form an independent strategy of foreign market activity. The need for this strategy can be explained by:

- as a result of the influence of the number and diversity of factors in the implementation of the foreign economic activity of the enterprise, the external environment is beyond any internal control;
- deep and rapid changes in the process of industrial production in the modern world economy affect the competitive environment;
- a competitive environment with a hypercompetitive nature enhances innovation and integration processes on a global scale. As a result, business requires new approaches inherent in modern strategic management;
- uncontrolled activities of industrial enterprises under the influence of the external environment, affect the external context of the conditions of the enterprise, etc.

The creation of the concept of the organization's external market activity management strategy shows the need to develop advanced knowledge, experience, authority, availability of necessary resources and wide-ranging interaction with business partners in order to gain a worthy competitive position in the foreign market. The concept of strategic management of the external economic activity of the enterprise requires that functional, situational, risk and systemic approaches work together, not autonomously. This takes into account the company's promising development strategy to enter foreign markets.

The complex feature of the concept has a synergistic effect, allowing to increase the effectiveness of strategic management in enterprises engaged in foreign economic activity. Approaches to the management of foreign economic activity of the enterprise depend on the factors influencing the implementation of strategic management of foreign economic activity. However, among these factors, it is necessary to identify the most important ones that threaten the activities of the enterprise. does not allow to show. The development and consistency of foreign trade operations requires the effectiveness of strategic management.

The risk-based management strategy of foreign enterprises is not fully taken into account. The risks that may arise in this process allow us to identify the threat factors that are considered the most important for the enterprise. However, the enterprise does not allow to ensure consistency in the formation of foreign economic activity strategy.

The functional approach to the management strategy of the external market of the enterprise focuses on building the course of development of the enterprise, the correct organization of the activities of its various departments. The systematic approach ensures the interdependence between the departments of the enterprise, the consistency of all departments in the context of the problem to be solved. It is necessary to take into account the whole list of factor attributes in the enterprise complex. The enterprise establishes a clear system that balances the importance of a functional approach, situation and risk factors in the management strategy of external market activities.

The company's external market management strategy is based on the following approaches:

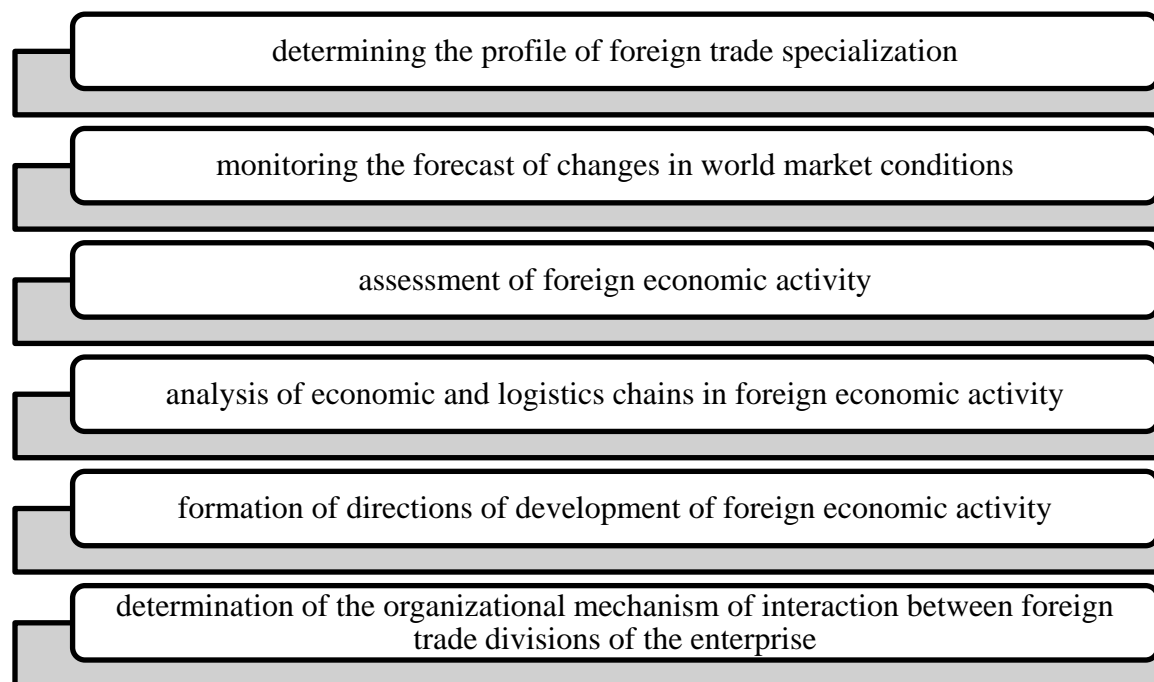
- functional approach;
- situational approach;
- risk-based approach;

– systematic approach.

Features of the functional approach in the strategy of foreign economic activity of the enterprise; to operate successfully in foreign markets requires managers to use functional, situational, systemic, and risk-based approaches to strategic management. In the strategy of foreign economic activity of the enterprise, the functional approach mainly allows to increase the efficiency of management functions such as: planning, motivation, implementation of organizational control. The choice of a particular strategy requires taking into account the psychological, social and other characteristics that are unique to each country and each nation.

In the strategy itself, doing business forms levels of value systems consisting of values, beliefs, customs, traditions, traditions.

The implementation of the planning function in the foreign economic activity strategy serves for the formation of the planned goals and results of the enterprise, the results of development and future long-term goals. Thus, the strategy of foreign economic activity of the enterprise is formed on the basis of short-term planning process, as opposed to individualistic cultures, collectivist systems governed by long-term goals and results. The algorithm based on the system sequence of this process affects the efficiency of the external economic activity of the enterprise (Figure 1).



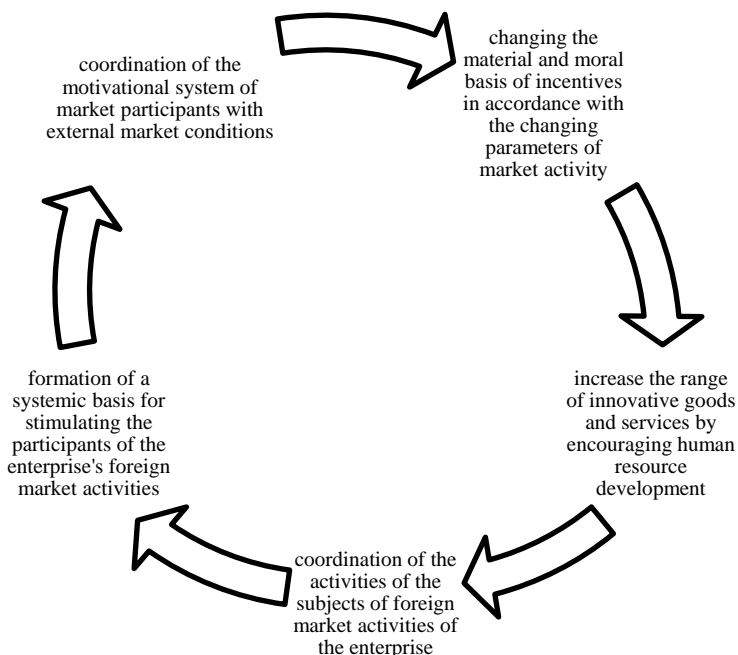
**Figure 1. External market activity management strategy<sup>1</sup>**

The main directions of development of the foreign trade mechanism of the enterprise are:

- 1. Selection of the profile of specialization of foreign economic activity.** In the context of increasing competition in the world market, a successful foreign trade strategy can be formed only on the basis of forward-looking strategies.

2. **Formation of territorial-geographical priorities.** The search for these priorities should also be done at the economic level (competitiveness, profitability, solvency, economic complementarity, etc.).
3. **Improving the management mechanism of the organization's foreign economic potential.** To do this, you need:
  - coordination of priorities of the foreign trade department;
  - improving the structural structure of foreign trade, taking into account the functions of the enterprise focused on foreign markets;
  - introduction of a system of benefits and preferences for foreign trade units in accordance with the practical implementation of contracts and agreements;
  - systematic study of changes in foreign economic activity (political, economic, social, technological);
  - timely elimination of problems and shortcomings in the process of using management capacity through the analysis of the activities of business units;
  - formation of a unified system of information acquisition from foreign markets, etc.

The motivational function of the management system is important in the development and implementation of the strategy of foreign economic activity of the enterprise. The motivational system of the strategy of foreign economic activity of the enterprise can be explained as follows (Figure 2).



**Figure 2. Motivational system for developing the strategy of foreign economic activity of the enterprise<sup>2</sup>**

The success of the strategy developed by the enterprise must be based on properly selected incentives, the interests and career aspirations of each employee. In this regard, it is important to create an innovative system of individual-list managers that encourages the activity of individuals and groups that use new ideas and methods.

## CONCLUSIONS AND SUGGESTIONS

The management strategy of the enterprise's external market activity is based on the creation of a favorable business environment, creating an appropriate environment in the process of working with foreign business partners of the enterprise. In turn, the specifics of business negotiations are largely determined by the mentality of the population of each country.

In the process of strategic management of the foreign economic activity of the enterprise, the situation in a particular target market requires the provision of management against constant changes. Therefore, the implementation of the strategy requires focusing on ensuring the flexibility of the enterprise to external markets and maintaining sustainable development, rather than on the planned results.

The general development of the enterprise is based on the principles of continuous planning, which is carried out in the activities of the enterprise. This means that in the management process, the ability to constantly monitor the external environment and apply the necessary decisions and actions in accordance with the variability of the external market expands in parallel.

The strategic position in the foreign market should be constantly evaluated and adapted to changing requirements. In this regard, in line with the situational approach that effectively influences the development and implementation of change strategies:

- participation of all employees in the achievement of common goals, the formation of their creativity, initiative, adaptability to innovations, the ability to respond quickly to unexpected changes;
- strengthening the responsibility of managers for decision-making by decentralizing the management system;
- forming the resource base needed to withstand potential or current threats from the external environment;
- effective use of the internal potential of the enterprise to understand the needs and values of the user to the maximum;
- establish and expand long-term partnerships with consumers;
- increase the efficiency of the mechanism of distribution of profits from trade activities between foreign trade entities, etc.

To assess the appropriateness of using a particular process in the implementation of strategic management of foreign economic activity of the enterprise, it is necessary to understand the pros and cons of each of them. The positive and negative processes mentioned in the various processes allow us to conclude that it is not expedient to consider only one process in the development of the strategy of foreign economic activity of the enterprise. Only a comprehensive consideration of them will help the enterprise to operate effectively.

In the context of innovative development of the economy, it is necessary to pay attention to the following in ensuring the compliance of the management strategy of the enterprise's foreign market activities with the strategic directions of activities in foreign markets:

- timely management decisions based on the functions of planning, stimulating, organizing and controlling the activities of foreign markets;
- to respond to the situation in foreign markets and to form a roadmap for adaptation to a complex, changing, unmanageable and turbulent international environment;
- Development of a system of scenarios that may occur in the implementation of international business in foreign markets;
- Formation of the concentration of complex structural composition based on the complexity of the development of the strategy of the external market (thinking process, formal process, analytical process, forecasting process, evolving process, negotiation process, transformation process), etc.

In our opinion, the consideration of the above practical suggestions and recommendations in the foreign economic activity of the enterprise will have an effective impact on the formation of a worthy competitive position of the enterprise in the long run.

#### REFERENCES:

1. Decree of the President of the Republic of Uzbekistan No. PD-4947 of February 7, 2017 "On the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021"
2. Resolution of the President of the Republic of Uzbekistan dated July 18, 2019 No PP-4397 "On additional measures for the accelerated development of the automotive industry of the Republic of Uzbekistan"
3. Petrov S.V, Strelkova O.V. Vneshneekonomicheskaya deyatelnost predpriyatij // Kompetentnost / Competency (Russia). - 2019. - № 9–10
4. Dolmatov D.M. Vneshneekonomicheskaya deyatelnost predpriyatiya: znachenie i osobennosti osushchestvleniya. KANT № (28), August 2013. 45-47 p.
5. Burinskienė A. International trade and e-commerce in the practice of enterprises activity. ISSN 1822–8402 european integration studies. 2012. No. 6, pp. 85-93.
6. Mikhailushkin PV, Gusakov NP, Volgina NA, Belova IN, Lukyanets AS Organization of Foreign Economic Activity of the Enterprise. International Journal of Applied Business and Economic Researc. Vol.15, No. 11, 2017. 185-195pg.
7. Khalipova N, Bosov A, Progoniyuk A. Development of a model for the integrated management of the international delivery chains formation. Eastern-European Journal of Enterprise Technologies ISSN 1729-3774. DOI: 10.15587 / 1729-4061.2018.132683.