

THE IMPORTANCE OF INNOVATIVE METHODS IN STRATEGIC MANAGEMENT OF ENTERPRISES

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Abstract

This article examines the role and importance of innovative approaches in the strategic management of companies. It emphasizes that "innovation" encompasses not only technical inventions or scientific discoveries, but also the introduction of new methods in management, marketing, and organizational structures. Drawing on classic strategic management theories (Igor Ansoff, Michael Porter, Henry Mintzberg) and contemporary innovation management methodologies (Design Thinking, Lean Startup, Agile), the article demonstrates how combining these perspectives can boost competitiveness, ensure sustainable economic growth, and facilitate rapid adaptation in today's dynamic market environment. The paper explores practical considerations such as SWOT, PESTEL analysis, Porter's strategies, and details the core stages of innovation-oriented strategic management (goal-setting, analysis, strategy selection, implementation, control). It also discusses key indicators for assessing innovation performance, challenges in state-owned enterprises, and offers recommendations for enhancing human capital. The concluding argument underscores that integrating strategic management with innovative practices is a critical factor in achieving corporate success and remaining competitive in a rapidly changing global economy.

Keywords: Strategic management, innovative approaches, competitiveness, management, marketing, organizational structure, R&D (Research and Development), innovation management, SWOT, PESTEL, digital transformation.

Introduction

In the modern economy, enterprises need to use various strategic approaches to achieve success in a global competitive environment. Especially in the current era, when the manufacturing and service sectors are developing rapidly in terms of technology, innovative activity is becoming a factor determining the superiority of enterprises. The formation of the Digital Economy, the transition to the "fourth industrial revolution" (Industry 4.0), and the rapid change in consumer tastes require a radical renewal of strategic management for enterprises.

Therefore, the concept of “innovation” encompasses not only technical inventions or scientific innovations, but also management practices, marketing strategies, and organizational changes used in an enterprise. Therefore, the introduction of innovative approaches in the process of strategic planning or current decision-making in an enterprise is of great importance. After all, these approaches allow the enterprise to gain an advantage over competitors, achieve sustainable economic growth, and quickly adapt to changes in market conditions.

Strategic management is the development, implementation and control of a policy and planning system necessary to determine long-term goals, allocate resources and achieve these goals. Nowadays, enterprises must make strategic decisions based not only on their current situation, but also on the likely future state of the market. In implementing these decisions, the importance of innovative methods is incomparable. Because through innovative approaches, an enterprise can achieve positive results in competitiveness, speed, flexibility, quality improvement, cost reduction and many other areas. The main reason for choosing this topic is that the problem of combining innovative methods with strategic management has not yet been fully analyzed theoretically and practically. However, enterprises are forced to act taking into account many factors, such as the effective implementation of innovative strategies, the realization of human resources potential in this process, the establishment of R&D (scientific research and development work), and the characteristics of the domestic and foreign markets. For this reason, the economic significance of the research topic is related to the opportunities for enterprises to increase their profits, expand their market share, and enter new segments through innovative products or services.

The practical significance is manifested in the development of recommendations and methods that can be directly used in the field of management.

The concept of strategic management has been widely discussed in management science since the middle of the 20th century. Igor Ansoff (1965) in his work “Corporate Strategy” considers strategic planning as a success factor for a corporation. According to him, strategic management is the process of ensuring the harmony of market opportunities and enterprise resources. Michael Porter (1980) developed strategies for achieving competitive advantage (cost leadership, differentiation, focus). In this, the enterprise clearly defines its goals and chooses ways to achieve superiority.

Henry Mintzberg (1994) noted that there are planned and emergent types of strategic management. In a planned strategy, the enterprise draws up a fixed plan in advance, while in an emergent strategy, flexible directions are selected based on changing conditions. Currently, Mintzberg's views are widely used in many innovative companies (for example, in the IT sector), since strict planning may not always work in a dynamic market environment.

The role of strategic planning is to set long-term goals for the enterprise and set clear priorities in the allocation of resources. In this case, using strategic analysis methods (SWOT, PESTEL, Porter's "five forces" analysis, etc.), factors such as the market situation, competitive environment, and consumer demand are studied in depth. As a result, the enterprise achieves accuracy and thoroughness in determining its direction.

In today's conditions, due to the development of digital technologies, globalization, environmental restrictions, and a customer-oriented approach, the demand for strategic management has increased even more. Each important decision is considered, first of all, in connection with innovative ideas and promising projects.

The term innovation comes from the Latin word "novus" (new) and was first seriously studied in scientific literature by I. Schumpeter (Joseph Schumpeter). Schumpeter considered innovation as the process of introducing "new combinations", that is, a new product, a new production method, the use of new sources of raw materials, the development of a new market, etc. In the modern era, innovation includes not only technical inventions, but also innovations in management, marketing, organizational structure, information technology and other areas. Innovation methods are understood as methods, processes and approaches related to planning, implementing and managing innovation in an enterprise. These methods are divided into several types:

1. Technological innovations - the introduction of new equipment, advanced production processes, automated systems (robotics, 3D printing, digital logistics, etc.) in an enterprise. This type of innovation increases production efficiency, reduces costs and improves product quality.
2. Organizational innovations - new approaches are developed to issues such as the internal processes of the enterprise, interactions between departments, personnel management, motivation system, corporate culture. For example, introducing a matrix structure, implementing Scrum or Agile management methods.
3. Marketing innovations - new branding or advertising strategies that are in line with market changes, consumer tastes and behavior, product positioning methods, and the use of online trading platforms. For example, developing a package of additional services or loyalty programs, communicating directly with customers through social networks, etc.
4. Product innovation - the development by an enterprise of a completely new product or service, or a significant improvement of an existing product. Research and development (R&D) plays a special role in this.

Some of the modern techniques widely used in innovation management are Design Thinking (an iterative process aimed not only at creating customer needs, but also at solving their problems), Lean Startup (rapid prototyping, continuous improvement taking into account customer feedback) and Agile methods (flexible management).

In the process of strategic management, the introduction of innovation is usually carried out in five stages. First of all, at the goal-setting stage, the enterprise defines its mission and long-term goals; if among them there are priority areas such as strengthening competitiveness through innovation or expanding market share, then attention is paid to projects in this direction. At the next stage of analysis, the internal strengths and weaknesses of the enterprise, external opportunities and threats are determined using SWOT or PESTEL methods. At this time, a decision is made on which areas innovative methods will be most effective, and which markets it is advisable to enter.

After that, at the stage of strategy selection, a model such as Porter's "differentiation" or "cost leadership" (or a combination of them) is selected, and innovative activities are integrated into this strategy. For example, in the "differentiation" strategy, priority is given to conquering the market with a unique, innovative product or service. At the implementation stage, the necessary resources (funds, personnel, R&D departments) should be allocated, and relations with external partners (universities, research centers, startups) should be established or expanded. Finally, at the control stage, taking into account the high level of risk of the innovation process, step-by-step monitoring is carried out, KPIs (Key Performance Indicators) are set, and intermediate results are evaluated. If the expected results are not achieved, alternative ideas are quickly tested and necessary changes are made. Innovative approaches play a huge role in achieving competitive advantage. In conditions where markets are changing rapidly, customers are demanding, and competitors are emerging globally, enterprises must constantly look for new opportunities. Nowadays, not only technological innovations, but also innovations in marketing, management, and organizational processes can provide a clear advantage to an enterprise. Any enterprise must have a certain "innovative potential" to implement innovative projects. In this regard, first of all, infrastructure is indispensable: the presence of an R&D department or a scientific laboratory, cooperation programs with research institutes and universities are a powerful impetus for the preparation and implementation of innovative ideas. Also, financial resources - for example, venture capital, grants, or preferential programs provided by the state - can support innovative work. Human resources are also of great importance, and the joint activity of not only scientists, but also market analysts, marketing specialists, IT engineers, and designers is necessary. Finally, R&D departments serve as an independent executive structure for the continuous development of innovative activities in the enterprise, proposing, implementing and monitoring projects that are in line with market and scientific innovations. The innovative potential formed in this way allows the enterprise to turn new ideas into real results. The following are the main indicators used to assess the effectiveness of innovative activities in enterprises. The table describes the content of each indicator, the method of its measurement (metrics), and the expected practical benefits or examples of application from its use in the form of an extended explanation. These criteria help to analyze the extent to which the enterprise is successfully mastering innovative activities.

Table 1. Criteria for assessing the effectiveness of innovative activities.

Indicator name	Content	Measurement method	Examples of usefulness and application
Number of new products or partnership projects	The number of new products created or collaboration projects developed by an enterprise during a year. This indicator reflects the activity of the innovation process in the enterprise.	<ul style="list-style-type: none"> - Number of new products launched in a year. - Number of collaboration projects established in a year. 	<ul style="list-style-type: none"> - An increase in the number of new products or projects indicates a company's focus on innovation, may expand market share, or diversify current activities. - For example, if last year a company introduced 3 new products, this year 5 - this indicates an acceleration of innovation processes.
-Number of domestic patents	Patent or intellectual property indicators owned by the enterprise. Indicates the presence of scientific and technical innovations, indicating that the enterprise has a technological advantage.	<ul style="list-style-type: none"> - Number of newly registered patents. - Percentage of successful patenting (relative to patents applied for). 	<ul style="list-style-type: none"> -- If the patenting rate is high, the company protects its technology and is protected from duplication by competitors. - For example, if a company files 10 patent applications during the year, of which 6 are registered, then the company is active in developing technological ideas.
Profitability ratio	Increased sales, improved profit margins, and overall profitability indicators due to an innovative product or service.	"Profit margin"=($\frac{\text{Net profit}}{\text{Sales revenue}}$) $\times 100\%$	<ul style="list-style-type: none"> - Innovative projects can be profitable, create added value compared to competitors, increase market price or reduce costs. - For example, if after the introduction of a new technology, the profit margin of the enterprise increased from 15% to 20%, this indicates a positive effect of innovative activity.
Production efficiency	Improvement of internal processes, such as saving time, raw materials and labor resources, and increasing production capacity.	<ul style="list-style-type: none"> - Labor productivity (Number of products produced / Number of workers). - Raw material efficiency (Raw material share in costs / Final result). - Time efficiency (Production cycle duration / Duration at the beginning of the year). 	<ul style="list-style-type: none"> - Increased efficiency indicates that the internal processes of the enterprise are enriched with innovative solutions. - If, after the introduction of new technological equipment, labor productivity increased by 25%, and the production cycle was reduced from 2 days to 1.5 days, then this indicates the effective implementation of innovation.

The above indicators allow us to measure the effectiveness of innovation processes in an enterprise in various aspects. If we monitor these criteria over time, the enterprise management can assess the success of the innovation policy, develop additional measures if necessary, or

revise the current strategy. For example, an increase in the number of patents indicates that a technological advantage is being formed in the enterprise, while an increase in the number of new products or projects indicates faster adaptation to the market. Increased production efficiency and profitability increase financial stability and help to gain a strong position in global competition. For example, large textile enterprises in Uzbekistan have improved product quality in recent years by introducing digital technologies. This has allowed them to increase their competitiveness in the international market. Preliminary statistical analyses show that the introduction of innovative technologies can increase labor productivity in an enterprise by an average of 20–30% within 2–3 years. Service companies (banks, telecom, tourism) are also widely using innovative methods. In particular, the banking sector creates convenience for customers by introducing internet banking, mobile applications, and online payment systems. Telecom companies, on the other hand, are able to quickly process information and predict customer demand using 4G/5G technologies, services based on “artificial intelligence”, and Big Data analysis. The introduction of innovative approaches in state-owned enterprises is often accompanied by a number of limitations. First of all, bureaucratic obstacles and various formalities in financing can slow down the work process. Also, due to the priority of the social function, instead of fully relying on market mechanisms, some social tasks (for example, providing subsidized services to the population) may be prioritized. Finally, employee motivation and a creative environment sometimes weaken, since in state-owned enterprises the entrepreneurial spirit is likely to be replaced by formal practices. However, there are also opportunities, since state-owned enterprises are often engaged in sectors of strategic importance (energy, transport, infrastructure) and can receive financial support through state programs. Such enterprises can also make a significant contribution to the national economy by improving the quality of services to the population and producing import-substituting products. When applying innovative approaches to strategic management, it is advisable to first thoroughly study the strengths and weaknesses, opportunities and threats identified in the SWOT and PESTEL analyses and develop innovative solutions appropriate to each of them. For example, if the personnel potential is low, retraining employees or cooperation with startups can be proposed. In addition, the corporate culture should be formed in a way that encourages employee creativity, since innovation, as a collective process, requires free thinking and unafraid of mistakes. Finally, digital transformation simplifies management processes by introducing modern tools such as big data analytics, cloud technologies, and ERP systems into an enterprise, making them faster and more transparent, which is of great importance in strategic decision-making. Table 2 below summarizes the main factors that should be considered when evaluating innovative methods in strategic management and making advanced decisions. This table shows the content of each factor, various metrics (measurement methods), examples, and an extended explanation. These criteria help to illuminate the innovation efficiency of an enterprise, as well as the opportunities and risks related to innovation from different perspectives.

Table 2. Evaluation of the effectiveness of innovative methods in strategic management and opportunity-threat criteria.

Indicator	Metrics	Examples	Izoh
Financial metrics (ROI, profit margin, market share growth, sales volume, cash flow)	Shows how much revenue has increased, sales volume and profit margin have improved, or market share has expanded due to innovative developments. - ROI (Return on Investment), cash flow, revenue growth (%), market share change (%).	Sales increased by 10% due to the introduction of a new innovative product or service, and profit margins increased from 15% to 20%. - Labor costs decreased by 12% due to the introduction of robotics into the production process.	The growth of financial indicators indicates that the innovation introduced by the enterprise was successful. - If the return on investment is not as expected, there may be losses or high risks. Therefore, it is necessary to include risk management.
Non-financial indicators (Brand value, customer satisfaction level – CSAT, Net Promoter Score – NPS, employee creative activity)	Innovative decisions reflect how effective the company is from the point of view of customers and employees. Although not directly related to revenue, they are important in the long run. CSAT (customer satisfaction score), NPS, the number of new ideas proposed by employees per year.	A company with a strong innovation image can gain a higher reputation than its competitors. In a large company, more than 50 new ideas were proposed through annual competitions or an idea bank.	In the long run, economic benefits are strengthened when brand value, customer loyalty, and employee creativity are high. - Non-financial indicators may not immediately affect profits, but they are very important from a long-term growth perspective.
New opportunities (New market segments, product expansion)	Through innovative approaches, the company can enter new market segments, expand its product range, or invest in completely new areas. The number of product diversifications, sales volume achieved in the new market segment, and export performance.	The company previously produced only ordinary fabrics, but with the introduction of innovative technology, it also entered the market of antibacterial or fire-resistant fabrics. Sales volume increased by 30% due to entry into new segments.	These indicators allow the company to find new sources of revenue and increase its differentiation from competitors. Caution: New market segments also require additional investment and risk. Competitors may find it difficult to respond quickly or adapt to demands.
Risks (Risks: high cost, instability, competitor response)	- It shows the risks involved in implementing innovative projects (high risk, potential economic loss), and the possibility of unforeseen situations after entering the market. The risk level of the project (risk assessment), the potential loss, and competitive pressure.	Invested in a new product, but the market didn't show interest in it. Competitor quickly launched a similar product, increased marketing budget. Technical problems arose during the testing phase	- Early identification of risks allows the enterprise to develop insurance mechanisms or a backup plan (Plan B). Risk management should be considered as a separate section when planning innovation policy; otherwise, the likelihood of the project leading to even greater losses increases.

Through the four main factors presented in Table 2 (financial indicators, non-financial indicators, new opportunities and risks), an enterprise can comprehensively assess how successfully innovative strategic decisions are being implemented. While financial criteria indicate short-term income and profitability, non-financial indicators reflect long-term competitiveness and stability. New opportunities reflect the expansion of markets and product types opened up as a result of innovation, and risks reflect the risks and difficulties that may arise during this process.

Such an approach serves to comprehensively analyze the innovative activities of an enterprise, to anticipate risks when making decisions, and to use additional resources or strategies in a timely manner if necessary. In the theory of strategic management, enterprises organize their activities based on the answers to the questions “what?”, “how?” and “for whom?”. Enriching this process with innovative methods allows the enterprise to strengthen its competitive advantage and make quick and effective decisions. The following are the main proposals that should be considered in order to achieve this goal:

1. Tactical and strategic solutions to achieve competitive advantage:

- At the tactical level, that is, the enterprise first tests the market reaction by developing pilot projects, tests or MVP (Minimal Viable Product). After that, it implements successful solutions on a large scale.

- At the strategic level, that is, long-term plans provide for the establishment of an R&D department or innovation fund, increasing the creative potential of employees (trainings, master classes), cooperation with research centers and universities, etc.

2. Creating a creative environment in human resources management (HR), corporate innovation culture:

- Encouraging creative initiatives of employees, strengthening their desire for innovation through awards, bonuses or moral recognition.

- Forming an “innovation ecosystem”: each department or team should develop at least one new idea or improvement proposal.

- Idea bank, online platforms, hackathons or “challenges”, seminars and competitions - to strengthen creative competition and cooperation among employees.

3. At the level of state policy:

- State grants, incentives or subsidies, that is, financial support for certain innovative projects, can be obtained. In Uzbekistan, programs under the Ministry of Innovative Development, technoparks, incubators are important in this direction.

- Privileges - innovative enterprises can receive tax breaks, customs formalities.

- Technoparks - special areas created with state or private sector investment, where enterprises can develop innovative activities at lower cost and work effectively with scientific institutions.

- Innovation clusters - synergy is created in the cooperation of complementary enterprises, scientific research institutions, and local authorities in a certain industry or geographical area.

- Public-private partnerships allow for the faster implementation of innovations in large projects - research, infrastructure or social sectors. In general, the organization of strategic management in an innovative spirit at an enterprise can be achieved through rapid testing at the tactical stage, long-term planning at the strategic stage, creative development of corporate culture and rational use of state programs. This is one of the most important factors in increasing the competitiveness and sustainability of an enterprise. From the above topic, it can be seen that strategic management and innovative methods are complementary concepts. On the one hand, strategic management helps an enterprise set long-term goals and properly allocate resources, on the other hand, innovative approaches allow it to develop this strategy and quickly adapt to a dynamic environment. In modern market conditions, innovative

management practices are important for an enterprise to achieve high efficiency, high-quality products and services, meet customer demand and constantly update.

The results obtained during the research process show that the introduction of innovative technologies, the development of R&D departments, the involvement of personnel in regular training courses, and the change of marketing strategy in accordance with market demand can bring benefits to the enterprise in both the short and long term. Advantages such as ensuring competitiveness, expanding market share, and gaining consumer trust are closely related to innovative strategic management.

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