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The Importance Of Investment Strategy In The Development Of Enterprise Activities

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ABSTRACT

The article examines the role and significance of an investment strategy in the development of an enterprise's activities, analyzes the principles of forming an enterprise's investment strategy, and examines conclusions and recommendations based on international experience.

Keywords:

investment strategy, investment policy, investment resources, environmentalism, real investments, innovation strategy

Introduction.

In the conditions of global economic development and changes, the importance of strategic management in the activities of enterprises is increasing. The need to develop an investment strategy of the enterprise is determined by changes in external and internal environmental conditions. Investments can be effectively managed if there is an investment strategy that is adapted to the possible changes in the factors of the external investment environment, otherwise the investment decisions of individual departments of the enterprise may conflict with each other, which reduces the efficiency of investment activities. When choosing an investment strategy, the company's management should take into account the competitiveness of the company, as well as the life cycle of the network. The position in the competitive market can be determined by the market share of the enterprise, the larger it is, the higher the opportunity to get a return on investment. Competencies of the company in its

fields of activity: production, marketing, research, and management are also important in assessing competitiveness. Companies with a low market share often have a weak competitive position, so investment attractiveness is low. The long-term success of any enterprise depends on its developed investment strategy. If the investment strategy of the enterprise is not developed with one or another error, this situation does not allow the enterprise to take a stable and strong position in the market. Modern science and practice has a great experience of strategic planning and management, but many strategies still cannot adapt to the changing conditions of the external and internal environment. This shows that not all problems of strategic management have been solved yet, which is primarily related to the development of mechanisms of strategic stability of enterprise development. At the current stage, the activation of the investment process is one of the most important effective mechanisms of socio-economic

changes, it is the investments that play a major role in ensuring the effective operation of the enterprise, and also directly affect the possibilities of macroeconomic reproduction and long-term economic growth¹.

In the new development strategy of Uzbekistan for the period of 2022-2026, it is also called "to further improve the investment environment in the country and increase its attractiveness, to take measures to attract 120 billion US dollars, including 70 billion dollars of foreign investments in the next five years, to effectively use investments and to increase export volumes." Based on the "bottom-up" principle, priority tasks such as "establishing a new system" have been defined. The effective performance of these tasks requires the improvement of modern management mechanisms of investment activities of production enterprises and increase efficiency.

Literature review.

L.Bryantsev, T.Pogodin, A.Alabugin, E.Altman, S.Ayvazyan, L.Baev and others can be mentioned as a research scientist of Russia and the CIS countries, who made a great contribution to the study and research of investment strategies, in particular, the formation of investment strategies of enterprises, the principles of development of investment strategies and stages of implementation, the development and development of investment policies of enterprises.

The peculiarities of the formation of investment strategies of enterprises have been studied by world economists such as D. Keynes, M.Porter, M.Kihn, R.Turner, A.Ledwith, D. Collings. Uzbek scientists I. Hotamov, Sh. Mustafaqulov, M. Isakov, A. Abduvaliev, R.S.Muratov, I.O Ulashev, Sh.A. Atamuradov, G.Sh. Honkeldieva and R.R. Abduraupov conducted scientific research in the areas of enterprise economy and management, management of the economic

potential of enterprises with foreign investments.

Research methodology.

Along with general economic methods, special approaches to data structuring, such as comparison, compilation of theoretical and practical materials, systematic analysis, abstract-logical thinking, generalization, etc.

Analysis and results.

In the conditions of the modern market economy of economic activity, enterprises operate under conditions of intense competition. In order to take a leading position in the market, to achieve competitive and financial success, the enterprise must properly develop and control its development strategy, which cannot be implemented without attracting additional financial resources. Given the wide choice of investment objectives, investors prefer companies with great potential and a well-developed strategy. In this regard, it is necessary to have an investment strategy of the enterprise, which allows to create a program for the development of the activity of the economic entity and its relations with investors. Doctor of Economics, professor L.V. Bryantsev believes that "the investment strategy of the enterprise is a process of step-by-step implementation of the investment policy aimed at organizing the long-term development of the enterprise."²

According to the interpretation of Doctor of Economic Sciences, Professor T.V. Pogodin, "investment strategy is the formation of a system of long-term goals of the enterprise's investment activities and the selection of the most effective ways to achieve them."³

Thus, the investment strategy of the enterprise is a complex and multifaceted team of various types of enterprise activities, which in turn is a specific project that is considered interesting for investors, focused on activities aimed at developing the company's activities, profiting from investment resources⁴.

¹ Себекина, Т.И. Инвестиционная деятельность сельскохозяйственного предприятия ООО «Дружба-2» Брянской области / Себекина Т.И., Аракелян Н.Ф., Хроленок А.В.//Символ науки. 2016. - № 1-1(13), С. 184-186.

² З. А. Ивакова, М.А. Абыкеева «Инвестиционная стратегия»: учеб. Пособие. – Б., БФЭА, 2015, 136 с.

³ Погодина Т. В. Инвестиционный менеджмент / Т. В. Погодина — М., 2016.— 311 с.

⁴Брянцева Л. В. Управление инвестиционной

Enterprise investment strategy is a system of long-term tasks designed in advance to achieve investment goals.

Investment strategy is a system of long-term goals of the enterprise's investment activity, which defines the general goals of the enterprise's development and the investment ideology, as well as the selection of the most effective ways to achieve them.

The process of developing the company's investment strategy consists of the following stages:

- determining the general period of investment strategy formation;
- formation of strategic goals of investment activities;
- justification of strategic directions and forms of investment activity;
- defining the strategic directions of formation of investment resources;
- formation of investment policy on the main directions of investment activity;
- evaluating the effectiveness of the developed investment strategy.

The investment strategy of the enterprise is developed based on methodological approaches of strategic planning. A long-term strategy includes goals that have a planning horizon of more than five years. The process of formulating any strategy includes assessing the current situation, developing a system of goals (the desired situation), as well as developing a mechanism for achieving the main goal.

The investment strategy is subordinate to the general strategy of the enterprise, therefore, the purpose of the investment activity should correspond to and contribute to the effective achievement of the main goal. A company's overall strategy is often divided into three types: differentiation strategy, price leadership strategy, and focus strategy. Choosing one of them is primarily determined by investment opportunities. Choosing a differentiation strategy requires the largest investment, as it requires investment in research and development, marketing and production. A price leadership strategy is cheaper and involves investing in the company's core funds.

The focus strategy is based on the operation of the enterprise in a narrow market segment and requires the smallest size.

Each stage of the network life cycle can be characterized by certain external conditions that provide opportunities and threats. Therefore, investment activity has its own characteristics at each stage.

The nascent stage is basically characterized by the development of a new product, its introduction to the market, therefore a large amount of research and development, and the construction of enterprises that later form a new industry. At this stage, large investments are required to create production facilities, distribution networks and other cost areas, and investors do not expect a high level of income in the near future.

The growth stage implies an increase in the production and sale of products, an increase in demand for them. New companies with modified versions of the product appear on the market, and in order to maintain their competitiveness, there is a need to improve quality and production technology. Thus, investment activity will also be high.

During the screening phase, demand decreases and competition increases. Companies with a strong competitive position will need capital to expand market share and displace weaker competitors.

The stage of maturity includes stabilizing the market and maintaining the competitive positions of the participants. Investments are used to increase production efficiency. At this stage, where the level of competition is low, the return on previous investments increases in the form of distributing a large part of the profits to pay dividends. The main part of current investments is directed to technical re-equipment and reconstruction.

The decline stage is characterized by a decrease in demand for products, a reduction and termination of production capacity. In this case, investments will decrease, investors will seek maximum profit.

Thus, the formation of an investment strategy is important for the effective growth and development of the enterprise.

Investment strategy is correctly defined as the main action plan of the enterprise in the field of investment activity, which defines the priority directions of its development.

The master plan includes:

- priority areas of capital investments; - forms of investment activity; - availability of personal sources of financing the investment process; - use of borrowed financing sources, taking into account ensuring the financial stability of the enterprise; - composition of stages of implementation of investment goals; - mechanisms for implementation of innovative strategy; - criteria for evaluating the effectiveness of activities within the strategy.

When forming an investment strategy, strategic investment decisions are made based on the following principles: 1) the principle of environmentalism. The enterprise works as an open system, is able to organize itself, is ready to actively interact with the external investment environment; 2) principle of compatibility. The investment strategy is a part of the overall strategy, the goals of which must be consistent with the overall goal of the enterprise; 3) principle of combination. Ensuring a combination of strategic, current and operational management of investment activity (investment strategy is a stage of strategic management and is the basis of tactical (current) management. 4) the principle of preferential orientation to the business management style.

There are two styles of innovative behavior of the enterprise: conservative and entrepreneurial.

Entrepreneurship involves the active search and implementation of investment solutions in various areas of rapid growth; 5) the principle of innovation; 6) the principle of minimizing investment risk at the stage of forming an innovative strategy; 7) principle of competence. The selected investment policy is important in the implementation of the investment strategy, and this policy includes ensuring the implementation of a set of targeted measures in the areas of investment activity. Unlike the

investment strategy, the investment policy is formed by ensuring the most effective management to achieve the main strategic goal of the enterprise.

As part of the enterprise's investment strategy, the following policy is developed: real investment management; management of financial investments; investment risk management; formation of investment resources.

The company's investment policy provides general guidelines for developing a capital investment program, selecting investment projects, and making financial decisions that help to strengthen the competitive advantage of the business in the long term, and represents the successful achievement of established goals.

The main form of investment for manufacturing enterprises is investment in fixed capital.

Real investment policy has its own characteristics:

- investments in fixed capital are the main aspect of the implementation of the company's economic development strategy. The development process consists of a set of investment projects implemented in the enterprise;
- fixed capital is the least liquid and tends to wear out;
- will be related to the current activity of the company;
- provides the company with stable net cash flow;
- as a result - high profitability is achieved.

Real investment management policy is part of the investment strategy and ensures the preparation, evaluation and implementation of the most effective investment projects.

Conclusion.

In conclusion, it can be said that in order to achieve efficiency in enterprise management, it is first necessary to develop an effective investment strategy, to achieve strategic goals, and to find optimal tactical solutions. In the conditions of Uzbekistan, long-term investment strategies are being developed mainly in large enterprises. In small businesses and medium-sized enterprises, investment strategies are developed for very short periods or not at all.

We consider the following factors important in the development and implementation of an effective investment strategy based on an innovative approach in enterprises: first, depending on the form of ownership of enterprises (state, state-owned, private, foreign-invested, etc.); secondly, depending on the characteristics of the territorial location of the enterprise (district, region, city centers); thirdly, depending on the branch direction of the enterprise (production, services, trade directions); fourth, the enterprise is provided with professional personnel (experienced financial (investment) managers); fifth, correctly choosing the form and direction of the enterprise's investment activity (real sector or financial); sixth, proper formation and evaluation of the enterprise's investment resources (tangible and intangible equity, debt and borrowed funds); seventh, it consists of identifying, assessing investment risks and developing measures to reduce them. In short, the professional development of investment strategy is considered as the creation of any business activity plan, the rational allocation of resources to achieve high efficiency in the specified period of time.

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