

THEORETICAL FOUNDATIONS OF THE EFFECTIVE USE OF ECONOMIC POTENTIAL IN STRATEGIC MANAGEMENT

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Abstract

The article presents the role and significance of economic potential in the organization of modern management activities in the activities of economic entities, as well as the theoretical significance of economic interpretation. Along with the systematic organization of management activities in economic entities, the issues of analyzing and improving the organization of production based on the results of economic analysis are discussed.

Keywords: Modern management, economic potential, financial potential, production potential, systemic analysis.

Introduction

ТЕОРЕТИЧЕСКИЕ ОСНОВЫ ЭФФЕКТИВНОГО ИСПОЛЬЗОВАНИЯ ЭКОНОМИЧЕСКОГО ПОТЕНЦИАЛА В СТРАТЕГИЧЕСКОМ УПРАВЛЕНИИ

Аннотация:

В статье рассматриваются роль и значение экономического потенциала в организации современной управленческой деятельности субъектов хозяйствования, а также теоретическое значение его экономической интерпретации. Наряду с системным построением управленческой деятельности в хозяйствующих субъектах освещаются вопросы анализа и совершенствования организации производства на основе результатов экономического анализа.

Ключевые слова: современный менеджмент, экономический потенциал, финансовый потенциал, производственный потенциал, системный анализ.



Introduction

The acceleration of globalization processes in the world economy, the intensification of competition, and the increasing complexity of economic relations are placing new demands on business entities to ensure the efficient use of available resources and achieve long-term sustainable development. Under such conditions, strategic management has emerged as an important factor in enhancing the competitiveness of enterprises, industries, and regions, as well as ensuring their adaptability to changing market conditions.

The effectiveness of strategic management is directly related to the accurate assessment of economic potential, its rational utilization, and its continuous development.

Economic potential is a complex economic category that characterizes a business entity's existing resources, capabilities, and ability to use them effectively. It encompasses material, financial, labor, investment, innovative, and intellectual resources. The degree of harmony among these resources and the efficiency of their utilization determine the entity's prospects for economic development and competitiveness. Therefore, revealing the theoretical essence of economic potential, identifying its structural components, and studying its role in strategic management remain among the pressing scientific issues.

Today, the large-scale economic reforms being implemented in our country, the modernization of economic sectors, the acceleration of innovative development, and the formation of a digital economy require the improvement of scientific and methodological foundations for the effective utilization of economic potential. In particular, enhancing the mechanisms for assessing and managing economic potential in strategic decision-making is one of the key prerequisites for ensuring economic growth, increasing resource efficiency, and achieving sustainable development.

Literature Review

Numerous economic studies provide different interpretations of economic potential, emphasizing its significance and the importance of its effective utilization for enterprise performance. However, research findings indicate that in both academic literature and practice, indicators representing economic potential are often incorrectly used interchangeably with indicators reflecting other types of potential. Furthermore, significant shortcomings exist in the calculation of economic potential indicators, while many factors emerging under



the influence of the digital economy are not adequately considered in assessment processes. The existence of diverse approaches among economists further complicates reaching a unified understanding of this issue.

Based on these considerations, it is appropriate to scientifically define the concept of economic potential and its related indicators for business entities and to reveal their economic essence.

The National Encyclopedia of Uzbekistan defines the term “potential” as the resources, opportunities, means, and reserves used to accomplish a task and achieve intended goals [1].

Several domestic scholars have also provided definitions of economic potential. In particular, E.A. Nigmanov defines enterprise economic potential as “the ability to maximize the management of fixed and working capital, labor, natural, scientific, and information resources at their existing level in order to ensure the maximum volume of production while pursuing the objective of obtaining the highest possible profit” [2].

M.Q. Pardayev, J.I. Isroilov, and B.I. Isroilov define the economic potential of an enterprise as consisting of means of labor, objects of labor, labor itself, and intangible assets [3].

M.Yu. Rakhimov and N.N. Kalandarova define enterprise economic potential as “all material and labor resources, as well as intangible assets, that fully support the economic processes taking place within the enterprise” [4].

Research Methodology

In the course of the study, methods such as analysis and synthesis, induction and deduction, a systems approach, comparison, and economic analysis were widely employed. The application of these methods enables a more comprehensive improvement in the analysis of indicators representing the economic potential of business entities.

Results and Discussion

Taking the above into account, identifying the factors influencing the economic potential of business entities, classifying them into specific groups, and analyzing them to enhance the competitiveness of products remain highly relevant issues. Today, the widespread application of digital technologies across all sectors is leading to a significant reduction in existing jobs. Therefore, creating additional employment opportunities has become one of the most pressing challenges of our



time. In recent years, numerous incentives and favorable conditions provided to entrepreneurs have contributed significantly to the creation of new jobs and the increase of household incomes.

In this regard, the President of the Republic of Uzbekistan, Shavkat Mirziyoyev, stated: “We have set ourselves the ambitious goal of increasing our Gross Domestic Product to 160 billion US dollars by 2030. Achieving this goal will certainly not be easy. However, we have clear calculations and realistic opportunities to accomplish it. Our natural resources, labor force, intellectual and spiritual potential, and accumulated experience provide a sufficient foundation for success.” [5]

At the same time, the stable growth of GDP indicates an improvement in the efficiency of using available economic resources in the country, the creation of new production capacities, and the strengthening of the internal potential of the economic system. This, in turn, confirms the rising macroeconomic economic potential and the need for further improvement of strategic management mechanisms. From this perspective, assessing economic potential, identifying its structural components, and developing effective ways of utilizing it are becoming priority directions of strategic management.

One of the priority directions of ongoing reforms in our country is the large-scale establishment of high value-added finished goods production through the efficient use of available economic resources. Identifying and implementing effective methods of rational resource utilization plays an important role in the development of enterprises. In this regard, economic support for enterprises and assistance in their adaptation to international market requirements represent some of the most pressing issues of today.

Alongside the systematic organization of management activities in business entities, it is also of great importance to organize production based on the results of economic analysis conclusions. The economic potential of enterprises and its analysis are gaining significant importance among economic sciences. Economic potential is increasingly considered one of the management functions of production.

The following factors can be highlighted as key drivers:

- the strong competition of multinational enterprises with extensive experience and advanced technologies entering local markets;



- ongoing reforms aimed at further liberalization of the economy, privatization, and ensuring the dominance of private property, which are leading to the emergence of new and modern forms of management, etc.

Taking the above into account, in such conditions the enterprise manager should not rely solely on professional intuition when making decisions. Management decisions must be based on precise calculations and comprehensive, in-depth economic analysis.

Business entities must not only ensure their effective operation in the domestic market but also rapidly adapt to international market requirements, timely identify existing problems, and promptly develop solutions. Flexibility in responding to rapidly changing market conditions is of crucial importance.

Planning itself begins and ends with the analysis of enterprise performance results. Such analysis enables the improvement of planning efficiency and ensures its rationality.

Before analyzing the economic potential and its indicators, it is appropriate to first become acquainted with the essence of this concept, its interpretation in economic analysis, and the approaches used for its study.

Conclusion

The results of the conducted research show that economic potential is one of the key factors ensuring the sustainable operation of business entities, achievement of strategic objectives, and competitiveness. Effective management of economic potential contributes to the rational use of available resources, mobilization of internal capacities, and increased adaptability to changes in the external environment.

At the same time, in achieving the ultimate goals of enterprises, it is important to consider the interests of all stakeholders, including investors, creditors, suppliers, customers, and other economic partners.

Since the economic potential of enterprises is a complex and multi-component economic category, a comprehensive approach is required in its analysis and evaluation. In this regard, information support—particularly financial statements and the balance sheet—serves as an important source for assessing economic potential. These data make it possible to determine the financial stability, solvency, resource provision level, and development prospects of enterprises.

As a result, management decisions based on systematic analysis and evaluation of economic potential become more effective, resource utilization improves, and



the conditions necessary for the long-term sustainable development of business entities are created. This confirms the necessity of studying economic potential as an important object of strategic management and improving its assessment mechanisms.

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