

## **INNOVATIVE MANAGEMENT OF FOREIGN ECONOMIC ACTIVITIES OF THE ENTERPRISE**

*Данная статья посвящена исследованиям проблемы управления внешнеэкономической деятельностью предприятий на основе инновационного развития. Автором статьи проведено исследование, в результате которого сделаны практические выводы о том, что в современных условиях мирового экономического кризиса важными направлениями развития национальной экономики являются инновационное, инвестиционное и интеллектуальное развитие.*

*Мақола корхоналарни инновацион ривожланиши асосларида ташиқи иқтисодий фаолиятини бошқариши муаммоларига бағишланган. Муаллиф томонидан замонавий иқтисодий инқироз шароитида илмий тадқиқот асосида миллий иқтисодни ривожланиши инновацион, инвестицион ва интеллектуал омилларга асослангани ҳақида амалий хулосалар қилинган.*

*Key words: enterprise, export, transactions, green world, know-how*

Transition to economic of innovative type at economics micro-level demands a strategic basis of development. The basic structural links of market economy are enterprises. Competitiveness degree of economy and foreign trade activities (FTA) of the state depends on their condition, the material and non-material actives, chosen strategy. Transition is connected with considerable difficulties and problems.[1] Their successful overcoming and the resolution should be based on constant monitoring, system analysis of the reasons interfering changeover and acceptance of intensive measures to their elimination. Market development of economic of Republic Uzbekistan has a great influence on foreign trade activities. Last in turn exert influence on the decision of economic problems at various levels: economy in whole, separate regions, the joint and local ventures. The enterprise has enough stimulus for self-development: possibility of profit growth, presence of financial assets, inquiries of the enterprise owners, capacious home market create a basis for steady economic growth. In modern conditions foreign trade activities of the enterprise is the basic link of the external economic complex of Uzbekistan. FTA is not to replace, but to make active potential of economic growth.

In connection with transitive features of national economy, the development strategy of FTA of the enterprise should be evolved subject to stage-by-stage realization of this process. In the course of reorganisation and development of the external economic complex of the enterprise as a property complex it is possible to allocate following stages[1]:

[Stage of stabilization of the foreign economic complex of the enterprise and adjustment of export-oriented manufactures.](#) The content of this stage is a designation of structural and industrial priorities of foreign trade activities, a definition of coordination mechanisms of FTA, systems of industrial export stimulation, the basic directions of foreign investments attraction. There is an

accurate restriction of all kinds of business and authority of the enterprise in foreign economic relations, formation of management mechanisms of the basic directions of foreign trade activities at this stage. The legal base is improved, the unified base of the external economic information is formed, the methodical and standard base of definition of foreign trade activities priorities of the enterprise is confirmed. The regional program of the export development is evolved on the basis of the analysis of the largest exporters' activity. Level of import dependence of the enterprise is defined and effective mechanisms of import deliveries are formed. Optimal geographical structure of foreign economic relations and favorable conditions for enterprise functioning on a foreign market are provided on the basis of diplomatic efforts, teamwork and marketing researches with the foreign trade missions. The realization mechanism of mutual account with the enterprises from the CIS countries is formed together with working out of their currency, noncommercial and credit aspects.

Problems of the first stage are directed on preservation of growth rate of export manufacture and simultaneous increase of the foreign trade turnover at the expense of direct import deliveries expansion creating the bases for reorganization and modernization of the foreign economic complex of the enterprise[2,3].

Stage of structure optimization of the foreign economic complex. The content of this stage is reorganization and reorientation of foreign economic relations departments and branch subjects according to priorities of the enterprise integration in world economy. Thus the main thing is formation and modernization of competitive export base, capable to provide import deliveries in necessary quantity. Mechanisms of export stimulation directed towards industrialization (target export credits, commercial export credits, guarantee supply of transactions and investments, regional insurance system of foreign economic relations participants from political and commercial risks) are for this purpose used. Large-scale export financing of the enterprise on a priority direction begins on this stage.

The appropriate regional external economic complex structure of the enterprise with use of economic policy mechanisms is formed. It provides the improvement of entering mode in the foreign markets on the basis of export and import deliveries balance of the enterprise. The import structure is stabilized, cooperation communications between the enterprise and manufacturers of foreign import production are extended. Migration processes and capital commingling are increased; the transnational economic associations providing steady import dependent activity of manufactures are formed.

The decision of the second stage problems will give the chance to reorganize the important elements of the external economic complex according to the designated priorities of foreign trade activities development of the enterprise, to expand the total amount of export with increase in hi-tech production, to provide the efficiency of export-import transactions and other forms of the international economic cooperation[2,3].

On this basis strong geographical structure of foreign economic relations is formed that will allow to finish transition from one-time export-import transactions to long-term forms of the external economic cooperation.

The next is a stage of conditions unification of divisions’ activity of the enterprise in the domestic and foreign markets. The content of this stage is a creation of complete economic structures, that is to finish structural changes to all links of property complex including the smallest business processes and the further functioning of the enterprise as economic system according to the general principles of economic development. After change of the import tariff functions (from fiscal functions to structure-organized functions) comparative costs, the prices and quality of the goods and services become solving criteria of export, import and cooperation communications development. Large-scale export of the capital will turn to one of the basic development directions of FTA to expand the position of the enterprise in the markets of the countries with attractive investment policy. The necessary level of import replacement development of manufactures is reached on the basis of the transnational enterprises.

The results of problems realisation of the third stage is an expansion of borders of the external economic complex of the enterprise, close rallying of the external economic and intraeconomic relations and weakening of specific features influence of foreign trade activities.

Each period of management reorganization of the external economic complex can be characterized by the laws advantage corresponding to the given period, and it should be considered at definition of development strategy of foreign trade activities of the enterprise[2,3].

In the conditions of competition in the world market successful strategy of foreign trade activities can be formed only on the basis of perspective definition of specialization directions in the changed economic requirements. In particular, here it is a question of priorities definition of an export complex development of the enterprise, the branches of economy mainly focused on home market and shares of the consumer and industrial goods markets which can be formed due to import. The decision of the given problem will allow to accumulate available and involved resources in the major development directions of all economic complex aspects of the enterprise, including its foreign trade activities and provides steady and effective economic system development of the enterprise in structure of world business communications.

Describing the mechanism of strategic development management of FTA of the enterprise it is possible to draw a conclusion that development strategy of the enterprise depends on many priorities in the conditions of market economy. Realization of these priorities in the practical activity of the enterprise will be efficient not only in present time, but also in the long term.

Here is offered “The Technique of a mark estimation of innovative possibilities of the enterprise”; the practical essence consists in the following.

Innovative possibilities of the enterprise are investigated under 10 factors. [4] Each factor is estimated at 10-mark scale. Factors are broken into the groups describing possibilities of the enterprise, limited to its resources. If the structure flexible, has an innovative orientation and adapted for various influences, 10 points are graded. The named factors give together as much as possible 100 (hundred) points. If the research result has made 65 and more points it is possible to ascertain

that innovative possibilities of the enterprise quite satisfactory; if 55 and less points they are unsatisfactory. In the same way it is possible to carry out the analysis of prepared innovative projects for the purpose of an optimal alternative.

Here is also two more factors:

- The potential profit on sales is estimated at 10 points if the program generates 10 % of the additional sum of sales for the enterprise, and its projected rate of return before tax payment is equaled 40 % within 5 years of commercial operations;

- The norm of sales growth is estimated at 10 points, if expected growth rate is not below 10 % annually.

All the factors give 100 points. The projects which give 50 and more points are successful, and the projects with 50 points will not have success most likely.

The offered Technique is considered at the enterprise of juice manufacture in Uzbekistan. Innovative possibilities of «Green world» are investigated under the offered factorial scheme. Results of the carried out research of innovative possibilities «Green world» are presented in the table 1. The table gives 67 points that shows presence of enterprise innovative possibilities.

«Green world» is well-known company in Uzbekistan, working in sphere of juice manufacture more than 10 years . The enterprise produces more than 17 principal kinds of production, exports a juice concentrate.

The company delivers the production in five sectors of the market:

- direct clients (consumers in the form of bottling);
- the wholesale trading companies (end consumers, food trading companies);
- individual clients;
- concentrates in the form of half-finished products (end consumers, local and abroad);
- food additives (end consumers, other industrial companies).

Position of «Green world» in the regional markets is unequal: the market share varies from 27 % to 52 %. For the last years companies which produce juice in small volumes and with low expenses have succeeded to grasp a considerable share of the local markets. Quality of their production fluctuates from high to low.

Before crisis 2008 there was a strong competitive pressure from import. Import juice was higher quality and had the best presentation. In the local market Nestle company acts very actively . Juice also is imported from Russia and Kazakhstan. Some foreign manufacturers have opened own factories in Uzbekistan. Thus the prices of import juice higher than of domestic production almost five times.

The strategic target of «Green world» can become sale expansion in home market and development of the new markets in the Central Asia though nowadays the company is oriented on home market. The reasons for that:

- outdated technology is more in sector of juice, than in sector of mineral water;
- the technology of fruit use in sector of juice has more importance, but it is not present in water sector;
- there are examples of international firms which have achieved tremendous success.

Research of the juice market has shown the presence of development possibilities. There is a big difference in the price between the domestic and import goods, and there is no accurate leader and well-known mark of production in the market. Nowadays there are not enough companies with the average price and quality having a appreciable share in the market.

In 2007 «Green world» has received certificate ISO 9001 in Uzbekistan. At the same time the "know-how" in «Green world» is not typical for manufacture. In comparison with foreign manufacturers «Green world» technology has become outdated, but it is better, than in the Uzbek enterprises of this branch on the average. The equipment of «Green world» is enough modernized and capacities are reconstructed. The basic difference in manufacture is in applied binding substances and additives, and the technology is very similar. Manufacture is based on modern binding materials (gelatin, fruit dyes) in «Green world», but does not let out in large volumes because the enterprise should import binding materials. «Green world» is in more favorable condition, than other juice companies in the conditions of a sharp competition, misleading of capacities and other internal problems though profit sometimes extremely low. In order to compete in future successfully «Green world» should invest in new technologies, new manufactures, R&D. Now the enterprise has additional financing sources for future. Manufacture under the foreign license is not so profitable, as the owner of the license retains the big share of profit.

**Table 1**

**Results of inspection of the company «Green world»**

<b>FACTORS</b>	<b>MARK ESTIMATION</b>
<p><b><i>Competition</i></b>                      Stable position in branch                      Only a price competition in home market                      The production prices are lower then import prices</p>	8
<p><b><i>Possibility of structural reorganization of branch</i></b>                      The high probability to become the manufacture leader in home juice market</p>	9
<p><b><i>Consequences of innovative activity</i></b>                      Provision of consumers with qualitative and low cost juice</p>	8
<p><b><i>Internal marketing possibilities</i></b>                      Under construction distributive system</p>	5
<p><b><i>Internal production possibilities</i></b>                      The industrial equipment is available, modernization is required</p>	6
<p><b><i>Scientific and technical base</i></b>                      It is necessary to improve the "know-how", to apply modern materials                      There is certificate ISO 9001                      There is no acceptable packing for the buyer,</p>	5

accompanying forms do not give full product information	
<b>Raw-material base</b> Basically the local raw materials are absent	4
<b>The personnel</b> Highly skilled, capable to changes	9
<b>Availability of own assets</b> In case of full realization of produced production (juice)	8
<b>Organizational-industrial structure</b> On a grocery basis	5
<b>Total</b>	67

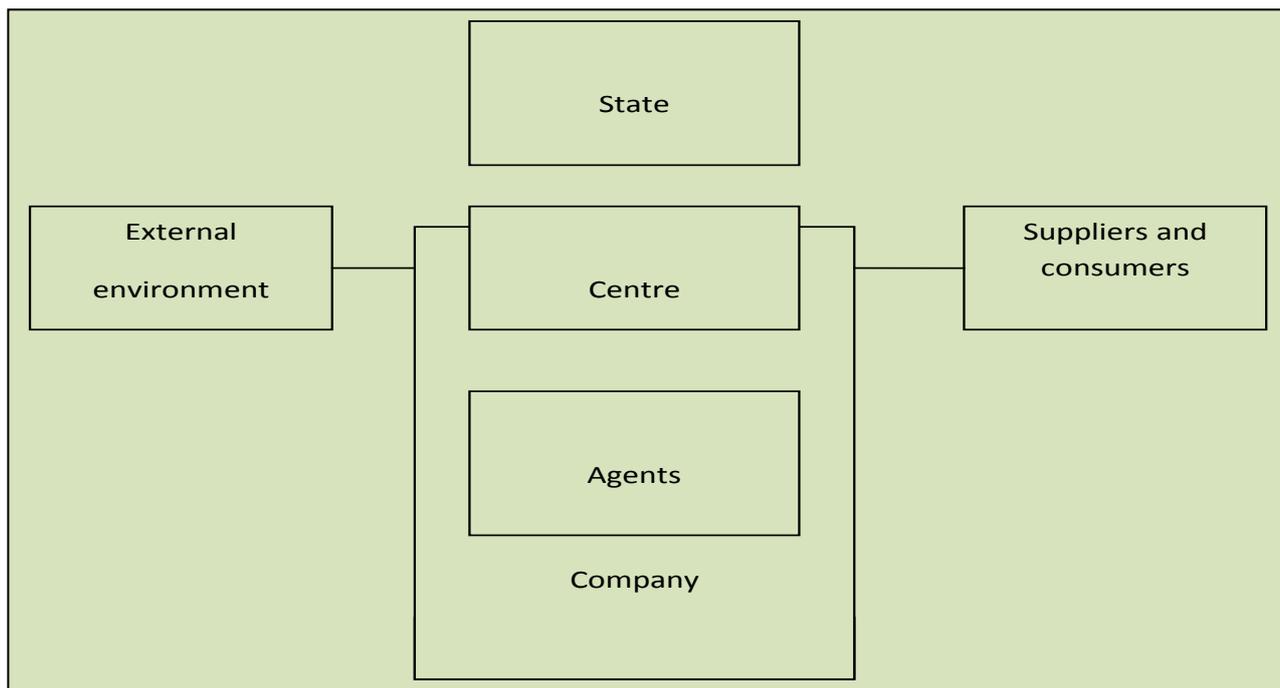
**Annotation: developed by the author.**

«Green world» has possibility to become the leader in sector of juice manufacture. New modern production is of reliable and stable quality, good appearance, along with effective distributive system and advertising. It will allow developing this sector of the market. Nevertheless in order to come out on top in this sector, «Green world» needs significant investments. Possibility to receive them consists in selling of juice business while it is still profitable, and to use the received money for getting juice manufacture from competitors, or to invest this money in re-equipment of juice own capacities, developing new kinds of production and improving their advancement. Let's notice, that «Green world» should continue to work in Uzbekistan market of drinks manufacture for more favorable development of juice and drinks manufacture. This market is hi-tech and demands huge investments in R&D. Besides, there is a huge quantity of consumers of this production in Uzbekistan.

Research has shown, that «Green world» has real possibilities for innovative activity in sphere of juice manufacture. It is necessary to plan the innovative project carefully, considering the external influences especially connected with foreign trade activities[5].

Thus, working out and researches of following mechanisms of organizational management of innovative company development are actual:

- Financing mechanisms;
- Mechanisms of organizational projects management;
- Mechanisms of institutional management;
- Mechanisms of personnel motivation;
- Mechanisms of personnel development management.



*Picture1. Classification of organizational management problems.*

The listed mechanisms of organizational management conform to the concept of the balanced management in which the accent becomes on four criteria groups: finance, consumers, business processes and personnel.

Innovative process represents sequence of actions by innovations initiation, working out of new products and operations, their realization in the market and the further distribution of results.

The beginning of innovative process is initiation. Initiation is an activity consisting of a purpose choice of an innovation, statement of the problem which is carried out by an innovation, materialization of idea. Materialization of ideas is an idea transformation into the goods (property, a new product etc.)

Marketing researches of an offered innovation are carried out after foundation of a new product. Demand for a new product is studied during the researches, volume of product release is defined. It is necessary to give innovations as to the goods entering the market. Then there is an innovation sale that is occurrence of small party of an innovation in the market, its promotion, an estimation of efficiency and diffusion.

Thus the combination of the state innovative program, branch target innovative programs, programs of technological development, and also separate innovative projects will create conditions for saturation the competitive production made in the country.

In our opinion prospects of state strategy of the innovative policy till 2015 is increase of technological level and manufacture competitiveness, maintenance to production of innovative production on the internal and external markets, import

production replacement in home market and changeover the industrial production in a stage of steady economic growth.

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