Improvement of the strategy of vertical integration in industrial enterprises

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Abstract: The article contains suggestions and recommendations for improving the operation of light industry sectors in the economy of the Republic of Uzbekistan and strategies for vertical integration at manufacturing enterprises, as well as implementation of vertical integration processes in the development of innovative activities in the manufacturing sector.

Keywords: production structure, division of labor, vertical integration, corporate governance, innovation, investment.

Introduction

Sufficiency of economic resources in the country is important for the development of the economy of the Republic of Uzbekistan and its integration into the world economy. Sufficient economic resources in our country, of course, necessitates their efficient and economical use. The most important direction of utilization of available resources and resources is to gradually increase deep processing of rich mineral resources and flora in the country, to increase the volume and range of products with high added value.

Deep transformations, gradual reform and liberalization of all aspects of political and socio-economic life, democratic renewal and modernization of our society are rapidly developing in our country.

The key to success in ensuring sustainable and sustainable economic development is the elaboration and clearly defined measures for the coming period, the elaboration and clearly defined
programs of economic development at different levels. At the same time, it is important to make the appropriate conclusions through the critical evaluation of past achievements and results, and to further improve the programs of socio-economic development.

The creation of a new type of innovation system in the Republic of Uzbekistan, deep study of the experience of foreign companies in the management of innovative activity in ensuring competitiveness of industrial enterprises, and the creation of standard structures of corporate governance on the basis of their analysis; joint-stock companies in all sectors and branches of the real economy but also on the basis of reform of the management system to actively introduce them to their feet.

**Analysis and results**

Sustainable development of the economy of the Republic of Uzbekistan and its integration into the world community are contributing to the emergence of modern innovation structures in the country, with the development of commercially viable innovation projects and the simultaneous development of economically sound companies. Integration of emissions into the global technological space.

This requires radical change of the principles and approaches to the existing system of corporate governance of the economy of the Republic of Uzbekistan, introduction of modern international standards of corporate management in production, foreign economic and investment processes. In this regard, it is advisable to focus on the vertical and horizontal integration of foreign enterprises. At the same time, integration processes can significantly expand the range of innovation processes.

Vertical integration of enterprises is a way of transferring the economic process from one organizational form to another, which results in the replacement of technological expansion of the enterprise by the quality regulation of the price chain regulation. In addition, when a business is vertically integrated, a more productive moving icon changes. At the same time, the enterprise does not seek to maximize profits by focusing on centrifugal guidelines, but focuses on improving the quality of products and ensuring its competitiveness.

It should be noted that the fact that the structure of production in our country is not divided into foreign horizontal, vertical and diversified production structures, and their generalization of production also determines the specifics of our economy. Because the modern enterprise is not only
vertically organized along the technological chain, but can also produce similar products as horizontal integration.

It is clear that formal property relations are not the only basis for integration. In particular, the structure of enterprises and firms in the country, barter chains between them, ease of access to information, credit, management and other resources, as well as their dependence on economic relations are characteristic. In this case, of course, the company that obtains the control will come to the fore.

If production and service entities have related elements, such a structure is a vertically integrated structure along the technological chain. When such structures are independent, the exchange between them will certainly take place in the market. This, in turn, ensures the continuity and development of production. However, the transaction must be within the enterprise, but it should also be assumed that the transaction will be based on the theory of contracts within the enterprise. However, this should not be allowed to happen without an order. Nevertheless, the exchange will remain the same as in market conditions.

As a result of rapid, sometimes tactical contracts between the buyer and the seller independently, without reference to the principle, the value of the vertical links diminishes, but the role of horizontal links does not lose their importance among the participants of the exchange.

The feature of vertically integrated structures is that they are more likely to implement innovations through the sharing of innovation processes. The creation of vertically integrated businesses and companies in Uzbekistan is an objective process. This is due to the shift from an inefficient organizational form to a preferable form for its subjects.

It should be noted that the transition from the technological chain to the integrated structure has resulted in positive changes in the institutional and economic environment, reducing transactional costs and ensuring sustainable product sales, primarily innovative products.

Establishment of horizontal integration of links between manufacturers of the same type of products also facilitated the intensification of innovation processes. In particular, horizontal integration ensures the rapid dissemination of news and serves as a key tool to protect innovators against imitating news.

Significant part of the integrated structures includes producers of innovation products related to the exchange. In these cases, it is appropriate to establish a hierarchical organizational form for innovation processes. It is important to note that the innovation process is integrated and
within the cost of production, at each stage of the process, it is important to address the economic risks of innovating.

In our opinion, it is appropriate to refer to the agro-industrial complex as a form of vertical integration in our country, which implies a combination of agriculture and industry. The Cotton Complex, which is still a part of the agro-industrial complex known to us in science, does not represent vertical integration in its essence and essence but forms horizontal integration. If you combine the processes of production, primary and secondary processing of raw cotton, production and delivery of finished products to the consumer, this will allow students to fully understand the vertical and horizontal integration concepts.

Thus, innovation activity management of enterprises through the improvement of the strategy of vertical integration in the conditions of modernization of production enterprises, technical and economic modernization of industrial enterprises, further development of priority sectors of the industry, increase of production efficiency, creation of new and competitive products in the domestic and foreign markets. our ability to solve social problems while creating a system A number of measures, including:

- substantiating the need to manage innovative activities to ensure the competitiveness of industrial enterprises in the context of structural changes in the economy;
- study of theoretical and methodological and practical aspects of innovative activity management in industrial enterprises;
- to determine the nature and principles of the vertical integration process in the management of industrial enterprises;
- scientific disclosure of the content of management system, its characteristics and functions in managing innovative activity of industrial enterprises;
- economic analysis of innovative activity management in the context of structural changes in the economy;
- vertical integration of factors, influencing the organization and management of innovative activity in industrial enterprises;
- development of methodological bases for improvement of effective management mechanism of innovative activity.
- research of priorities for improving the vertical integration system in industrial enterprises;
It is advisable to scientifically justify the strategy of vertical integration in the management of innovative activity of industrial enterprises.

**Conclusion and Recommendations**

In conclusion, the development of economic relations and strategic management methods in vertical integration processes and management systems related to improving the effectiveness of innovative activities management in industrial enterprises of the Republic of Uzbekistan will determine the future and future development of the economy.

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