



DIRECTIONS OF DIVERSIFYING INNOVATION PROCESSES IN THE INDUSTRY NETWORK

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Article history:	Abstract:
Received: 14 th September 2022 Accepted: 14 th October 2022 Published: 24 th November 2022	The article develops an approach to innovation processes in industrial production from the point of view of diversification. Priority directions for diversification of production of new products are indicated. This process was viewed from the point of view of the implementation of fundamental structural reforms in the economy, subject to the state's strategic, innovative and economic goals. The socio-economic importance of management of diversification processes in the industrial network is appreciated.

Keywords: Innovation process, production of new products, diversification, competitiveness of the national economy, social protection of workers.

INTRODUCTION

Diversification of production, like any other economic process, has its own system of goals and objectives. Organizational-economic, financial-economic, socio-economic and production-technological goals can be distinguished in this system. In the conditions of the development of current market relations, all these groups of goals are subordinated to the implementation of fundamental structural reforms in the economy in the interests of improving the socio-economic indicators of the development of the entire society, the strategic innovative-economic goal of the state.

In the development strategy of New Uzbekistan for 2022-2026, 7 directions and 100 goals are set, and the 22nd goal is to "Increase the production volume of industrial products by 1.4 times by continuing the industrial policy aimed at ensuring the stability of the national economy and increasing the share of industry in the GDP " is defined as consisting of. Diversification is considered as one of the factors that ensure the achievement of this goal.

ANALYSIS OF LITERATURE ON THE SUBJECT

The concept of "diversification of production" is a very complex concept. Because the possibility of interpretation in two ways cannot be found in any literature. First of all, this is determined by the dual nature of the concept of "production diversification". The first reason for diversification of production is the fact that the enterprise is focused on the production of many products. Second generation is the process of creating an entirely new type of product. Thus, the first reason for diversification is the company's

strategic orientation, and the second reason is its innovation, that is, when the company's production is diversified, it evaluates its strategic prospects and introduces the economic efficiency of product production.

A single-product enterprise is one in which more than 95% of the total sales are in one product. A company with 70% to 95% of sales per product is a company with a leading product. If the sales of one product makes up at least 70% of the total sales, but 70% of the sales correspond to groups of technologically related products, and the sales-related products exceed 70% of the total sales, the enterprise is called a production of sales-related products.

Based on the above, in T. Kono's opinion, product application and designation is the main feature of enterprise diversification. If a specialized company has different applications, it is considered diversified.

Business diversification can also be studied as the expansion of the firm's activities outside the core business, which means the production of goods (services) that have a higher share in the volume of net sales than other types of products.

The diversity of the definition of diversification of production indicates that this concept has not been fully developed in foreign scientific literature. However, based on the above-mentioned point of view on the definition of production diversification, most researchers study this concept, on the one hand, as an economic phenomenon, and on the other hand, as an organizational-economic process.

The content of production diversification as an economic phenomenon is embodied in the production of new goods by economic entities along with old



goods. Their production should be based on various production-technological processes.

At the same time, the production of the same product in different forms is not considered diversification of production, because in this situation it is not the name of the product, but its assortment that expands. In this regard, В.А.Новиков introduces the concepts of "product diversification" and "concentric diversification". By diversification of products, he understands "the production of the same type of goods in a large number of forms", "but in many cases, the expanding interests of consumers, which lead to an increase in the price of products". It examines "replenishment of previously manufactured items with improved performance to maintain sales markets" as concentric diversification.

RESEARCH METHODOLOGY

The main rules and principles of dialectics formed the methodological basis of the research. In researching the issues of diversification of innovation processes in the industrial network, the method of collecting, processing and analyzing data related to quantitative and qualitative changes, i.e. production of new products in the industrial network, management of these processes and solving social problems was relied upon. Logical and comparative analysis, induction and deduction, statistical grouping, systematic approach to economic events and processes were used to draw conclusions from the data.

ANALYSIS AND RESULTS

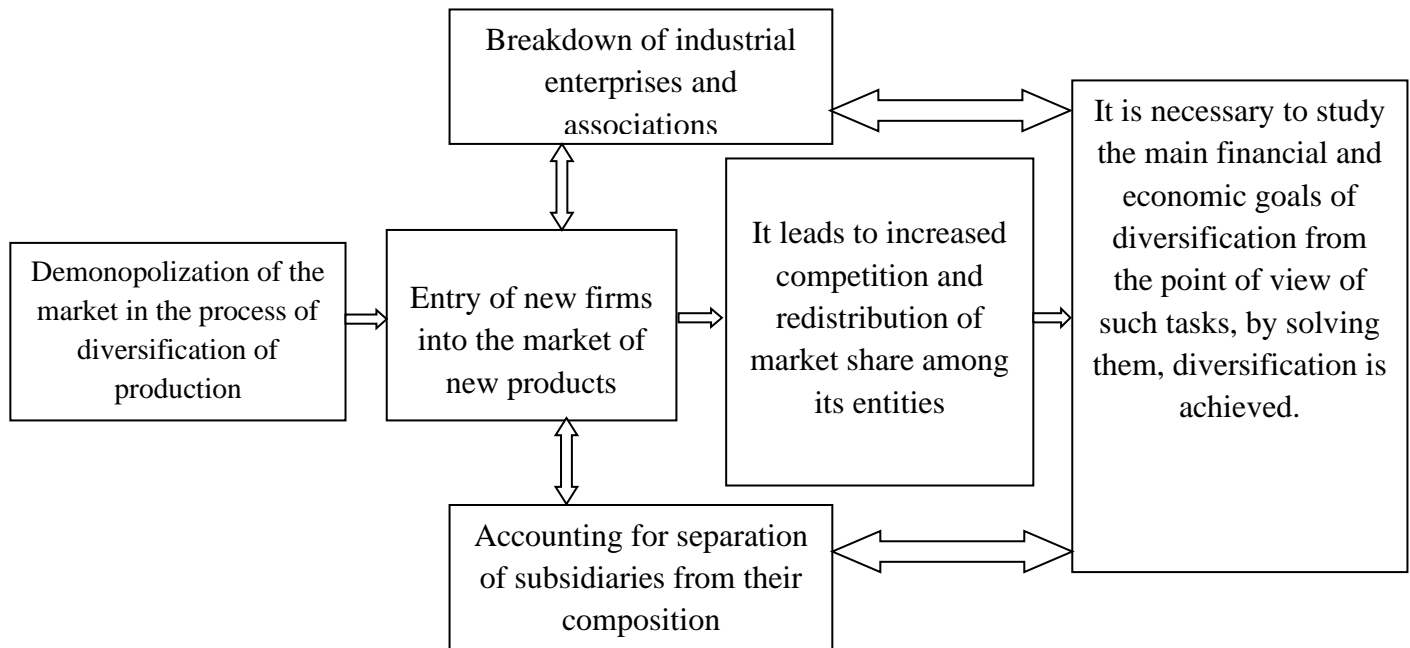
It is important to consider the organizational and economic goals of diversifying the management of innovative activities of industrial enterprises. The first of them is related to the formation of the economic environment of a market economy. Industrial enterprises diversify their production and enter the market of goods that are new to them. In doing so, they solve the tasks of choosing a type of product suitable for diversification, providing new production process with equipment, raw materials and materials, producing and selling new products. In this process, enterprises, departments, services, production departments, subsidiary companies can create their own infrastructure to implement new production programs or use the services of foreign organizations to solve emerging problems and tasks. This leads to the development of the market infrastructure and the formation of the economic environment of the market economy.

And secondly, in the process of diversification of production, market demonopolization goes in two directions. First, it allows new firms to enter the market of new products. This leads to increased

competition and redistribution of market share among its entities. It is widely reported that IBM suddenly redirected demand for 30% of its computer production in just one year. In this case, in the market of personal exposures, the leading companies in this field of business, such as "Epl" and "Macintosh" were squeezed out.

Figure 1

Achieving diversification by solving the possibility of monopolization of the commodity market



The second is fragmentation of industrial enterprises and associations (at the expense of separation of subsidiaries from their composition), differentiation of production activities depending on the product brand, which limits the possibility of monopolization of this commodity market.

It is necessary to study the main financial and economic goals of diversification from the point of view of such tasks, by solving them, diversification is achieved.

The first is to reduce the volume of domestic state debts, which can be achieved by diversification of industrial production and diversification of production due to the reduction of state budget expenditures for providing social assistance to the unemployed in the context of an increase in tax revenues to the state budget due to an increase in the profit mass of diversified industrial enterprises.

The second is to reduce the level of inflation, which is achieved due to the fact that the management of diversification of production leads to a decrease in the level of inflation due to the attraction of free capital and savings to the expansion of the field of production of new goods. As a result of the expansion of the physical size of the produced products, the supply of the cash mass with goods will increase.

The third is to attract free capital and savings to the country's reproduction process.

The fourth is to increase the company's profit mass in the context of diversification management, firstly, by ensuring the optimal combination of goods produced by the company based on the consideration of their life cycle, and secondly, by expanding the physical volumes of the manufactured products and using the related production scale savings and the efficiency of the production lever. through and thirdly, it is achieved by reducing the margin of its profitability when diversifying the enterprise's production.

The fifth is to increase the financial strength reserve of the diversifying industrial enterprise, on the one hand, due to the increase in the revenue mass, and on the other hand, due to the reduction of the enterprise's profit margin. This indicator represents the amount of reduction in income that the enterprise can maintain in the event of a change in market conditions without significant risks to its financial position.

Having studied the leading socio-economic goals of the management of production diversification, the strengthening of social protection of workers is achieved due to the implementation of a set of measures for the management of production diversification, retraining of employees of an industrial firm. Obtaining new occupations objectively leads to an increase in the social security of workers, as they



expand their potential employment opportunities (including those of other enterprises).

The second - the increase in labor force employment can be achieved at the expense of creation of additional jobs in the enterprise by launching new productions or replacing part of the production capacity (engineering and technical staff, assemblers and development, construction, assembly, grinding, etc.). At the stage of direct production activity, this part of the staff can be engaged in maintenance of new equipment. Diversification may involve additional labor resources. In the conditions of a market economy, the production of additional or new products determines the need to create a certain number of jobs and move it on the market, deliver it to the consumer and provide after-sales service.

The third is that the management of the diversification of production leads to the redistribution of state expenses to social needs (education, health care, ecology, etc.), increasing the standard of living of the population and improving living conditions. The expenses spent on them are specific capital investments for the development and improvement of productive forces. This creates conditions for the further growth of the national wealth of the society and the increase of the profits of entrepreneurs in the future (a more qualified labor force brings a higher income).

The increase in the level of employment of the population, which ensures the stability of the population's incomes and, therefore, their expenses, and the change of their composition in favor of non-food goods, is the second factor influencing the achievement of this goal.

The production and technical goals of innovative activity management are as follows:

The first of them envisages the elimination of the costly nature of the entire social production and, in particular, the industrial sector, and plays an important role for the country. It is generally accepted that the way to achieve this goal is to introduce high, resource-efficient technologies, to reduce the material and fund capacity of products based on the latest achievements of science. One of the important ways to solve the problem is to increase labor productivity.

The second one requires the adaptation of equipment and technologies to the production of a new product, therefore it deserves special attention. In the process of diversification, it is necessary to take a selective approach to the use of existing equipment in the development of a new product.

There is a risk that the cost of a diversified product will be much higher than similar products available in the market, which will cause a decrease in product competitiveness and production efficiency. In this

regard, the approach proposed by Л.Ефанов is interesting.

The content of this vision is to describe the enterprise in terms of using three groups of equipment and technologies for the production of new products:

The first. Equipment and technologies for the production of dual-oriented products: cars, lifting vehicles, gas pipes, building materials, etc. This is a light and effective route. It is characterized by a low level of costs for changing production-technological processes. Л.Ефанов said that the indicators of product quality and competitiveness come first.

The second. Equipment suitable for the production of a new product after partial changes to the production-technological processes. This direction is practically characterized by the indicators of the first one.

The third. Narrowly specialized types of equipment and technologies that are unsuitable for use in the production of new products or require high costs for their adaptation. Their participation in the diversification process is not economically feasible.

The fourth of the production-technical goals is to ensure the flexibility of the entire production. In the process of managing the diversification of production, it is necessary to approach it from the point of view of ensuring the flexibility of the entire production, while implementing the adoption of new types of equipment and technologies. It is necessary to give priority to existing and new equipment that can be used in diversified production. This allows industrial production to quickly adapt to both market segments.

CONCLUSION AND SUGGESTIONS

The important directions of diversification of innovation processes in the industrial network are as follows:

1. It is important to consider the organizational and economic goals of diversifying the management of innovative activities of industrial enterprises. The first of them is related to the formation of the economic environment of a market economy, and the second is related to the demonopolization of the market in the process of diversification of production.

2. To study the main financial and economic goals of diversification from the point of view of tasks such as reducing the volume of domestic state debts, reducing the level of inflation, attracting free capital and savings to the process of the country's reproduction, increasing the profit mass of the enterprise under the conditions of diversification management, increasing the financial strength reserve of the diversifying industrial enterprise it is necessary to achieve diversification by solving them.

3. Studying the leading socio-economic goals of production diversification management, increasing the social protection of workers is achieved due to the



implementation of a set of measures on production diversification management, retraining of industrial company employees.

4. The increase in the level of employment of the population, which ensures the stability of the population's incomes and, therefore, its expenses, and the change of their composition in favor of non-food goods, turns out to be the second factor influencing the achievement of this goal.

5. It is necessary to give priority to existing and new equipment that can be used in diversified production.

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