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Development Directions of Business Relations

Abstract

The characteristic of the current development of the world economy is the progressive dynamics of socio-economic factors. The emergence of constantly changing new factors affecting the state of subjects of economic relations, high rates of technological and structural changes, increased competition, social factors impose new demands on management systems, which require the development of business subjects.

Business development management is viewed as the goal of finding new customers and building relationships with them. In fact, this is a rather narrow essence of this direction, which can only partially solve tactical problems. The concept of development of business relations does not only mean the increase of turnover at a certain time, but the increase in the income level of the business entity in the long term, providing a different, higher base for future growth.

Keywords: *business, strategy, corporate, marketing, entrepreneurship, production*

Introduction

The goals and tasks of business development are closely related to the study of the opportunities available in the market, what the enterprise offers and what the target audience of consumers wants to buy (Amrahov, 2014). The main principles of this function are to equalize existing gaps and create added value that can be converted into income. This requires the study of trends, the search for and implementation of innovations, as well as the formation of a strategy related to new work processes (Guliyev, 2015). Business strategies are classified according to their development level:

- the level of the corporation;
- functional level;
- operational level.

Research

Each level has its own characteristics. The corporate level is a business entity consisting of a group of enterprises, a holding company, a corporation or a separate organization (Mirzazadeh, 2022). A corporate, so-called portfolio strategy is a general management plan for an enterprise, it describes the general direction of the enterprise's growth, the development of production and marketing activities (Abbasov & Sadigov, 2013). One of the objectives of corporate strategy is the selection of business units of the firm where investments should be directed. This type of strategy is the most complex. Corporate strategy includes the following issues (Amrahov et al., 2023):

- allocation of resources among all sectors of the corporation;
- diversification of production to reduce possible losses or obtain more profit;
- change in the structure of the enterprise;
- possibility of synergy, i.e. sale or merger;
- access any integration structures.

Each enterprise develops its own strategy of behavior in the market, because it is often responsible for a segment of the market. The business strategy is developed at the departmental level and allows to achieve the long-term goals of this enterprise. Based on this strategy, business plans of the enterprise are formed (Abbasov, 2005).

A functional level is a set of departments of an enterprise. At this level, strategies are developed in accordance with the overall strategy of the firm and are under the authority of the manager. The goals of these strategies include (Nuriyev, 2004):

- effective management of single resources;
- development of the best line of conduct within the portfolio strategy of the company.

In the hierarchy of the management structure, managers at lower levels deal with the narrower, more specific tasks of strategy development and implementation than top managers. Each manager defines and implements a strategy based on the preferences of end customers in his field (Imanov, 2009). The strategies of each level must be coordinated to achieve the best result. Managers can't plan anything unless they have a clear goal in mind. This situation can lead to the complete collapse of even a successful enterprise (Amrahov et al., 2021). There are several types of business development strategies. Following the planned strategy is quite difficult due to constant changes in market conditions. Therefore, the strategy should be adjusted during its implementation. There are 2 types of strategies: deliberate and sudden onset. Deliberate strategy is the complete overlap of predicted tasks with actual ones. The company can follow the selected strategic plan only in the following cases (Reith & Guidry, 2003):

- goals and methods of achieving them are clear to all employees;
- actions of all employees are coordinated;
- absence of unexpected changes in the external environment of the company.

A sudden strategy emerges in a company whose employees do not have a clear idea of the organization's ultimate goal. No perfect strategy can take into account all situations that arise in real life (Burhan, Ceylan, & Hatice, 2009). To respond to them, the organization must urgently formulate and solve strategic goals. Temporary strategies include:

1. A planned strategy is one in which almost every process can be predicted. However, it is necessary to strictly monitor the achievement of the set goals.

2. Entrepreneurial strategy is formed in the head of a leader who, based on his intuition and past experience, views the future of the organization and its direction of action. The clear goal he set for himself is clear not only to him, but also to his employees. This strategy changes as often as market conditions.

3. Ideological strategy – the team has a clear idea of the company's goals and objectives and makes every effort to achieve them. This strategy is characterized by a high degree of self-control.

4. Procedural strategy is formed as a progressive process, that is, strategy formation is born during debates and discussions, and sometimes only after them, because sometimes it is difficult for people to agree. With this strategy, employees are mainly guided and in control of the situation.

5. The implemented strategy is one of the development directions of the enterprise, which is forced to adapt to the conditions surrounding it. Often, strategies are partially implemented because the enterprise has to choose between several options imposed by the environment.

6. The strategy of the contract arises unexpectedly during the work of the group.

7. Different strategies. The strategies of each unit combine to achieve a common goal.

Developing business relationships requires making strategic decisions. In this regard, there is a need to classify the processes that form the strategy of business subjects. They can be divided into three groups (Amrakhov, 2022):

- processes of using existing potential for production of products, performance of works and provision of services;
- processes of creating, increasing and modernizing the enterprise's potential;
- processes that ensure the creation and development of the reproduction base of the enterprise itself.

The structure of business processes consists of strategic and tactical decisions made at the level of enterprise management (Abbasov, 2011). Decisions about using the existing potential of the production base should be considered tactical. Strategic decisions form the basis of the enterprise's strategy. Business strategy is a system based on specific tasks, decisions on individual issues of business activity.

Conclusion

Business strategy includes the structure and volume of production, the behavior of the enterprise in commodity and factor markets, strategic aspects of intra-enterprise management, etc. should include decisions in the field. The following independent strategy areas are available:

- commodity market – is a set of decisions that plan the range, volume and quality of products, how the enterprise will behave in the commodity market;
- resource market – a set of production, financial and other factors and strategies that determine the behavior of the enterprise in the market of production resources;
- determines the technological-strategic decisions that show the dynamics of the enterprise's development technology and the influence of the market on it;
- management – decisions are made regarding work and management work with other departments of the enterprise;
- finance and investment – making decisions to determine ways of attracting, collecting and spending financial resources;
- social – is a set of decisions that determine the type and structure of the company's employee team, as well as the nature of interaction with its shareholders;
- management – a set of decisions that determine the nature of enterprise management in the implementation of the chosen strategy. Recently, many enterprises are rebuilding their internal production, technological, organizational and management structures, redistributing the rights and duties of various departments and subsystems;
- restructuring – a set of decisions to adapt the production, technological and organizational-management structure to the changed conditions and strategy of the enterprise.

The development of elements of strategic management of business objects at different levels and the formation of a strategic style of business management are related to the transition to a market economy. Almost complete independence in making not only operational, but also long-term and expensive decisions still poses difficult challenges for businessmen and enterprise leaders. Difficulties in solving these problems, sometimes the unwillingness of managers at different levels to make justified, balanced and thoughtful strategic decisions are important factors in processes such as non-payment, violation of contractual obligations, decrease in investment activity, and delays.

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