

## Innovation Capability is the Source of Developing of Enterprise

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### Abstract

*As a result of the development of international trade relations between the regions, manufacturing companies are trying to expand the audience of buyers. The result is a strong competitive environment. In this fight, enterprises need to effectively organize innovative activities in order to avoid business failure.*

**Keywords:** *Innovation, innovation capability, development, business, innovation management, competitiveness, financial resources, driver of development.*

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### INTRODUCTION.

Today, our Republic is in the process of integrating deeper into the world trade community. In particular, in the development of market relations in the economy, the possibility of joining international economic organizations, including the Eurasian Union and the World Trade Organization, is being considered. Access to international economic and trade organizations is accompanied by the influx of high-quality, low-cost goods and services into our markets. As a result, there will be fierce competition for local manufacturing companies.

Now the most effective way to maintain its position in the market in this competitive struggle is to effectively launch innovative activities in enterprises. Only through the formation of the innovative potential of the enterprise, and its development, the enterprise can continue on its path without breaking in this struggle. At present, most industrial enterprises in the country cannot withstand strong competition. This is due to the fact that production and service technology is spiritually cultivated, high energy consumption, production efficiency does not meet today's standards, the lack of real managers in the management of enterprises, the founders and shareholders see it as a relatively low issue. In their view, in the current environment, the profits made by their companies are sufficient for them and they will not have competing businesses. Due to the development of global international trade relations, such enterprises face difficulties in their activities. The solution to such problems is effective, first of all, by bringing real sales and management managers to the leadership and organizing the innovative activities of enterprises.

In the process of formation and development of innovative potential, innovations are realized in enterprises in the form of:

- New goods and services;
- New production equipment and technologies;
- Organizational and management structure;
- Production of new, processed, high-quality and low-cost goods and products based on marketing and consumer requirements.

Innovations are implemented in the activities of the state, society, region, industry and industry or companies and play an important role in their development. If we look at the history of

development of the developed and rapidly developing countries of the world, all of them have been able to achieve industrial development through the widespread introduction of innovations in industries and sectors, resulting in sustainable economic growth. In particular, the history of the transformation of the United States led to the industrial revolution through the widespread introduction of innovations in the economy, led by the agricultural sector from the mid-nineteenth century until World War I, which ensured the development of the economy. [1] This industrial revolution has occurred as a result of the innovative activities of companies that are representatives of the industrial sector.

Innovation plays an important role not only in the development of the state or society, but also companies. The establishment of innovative activities in enterprises is inextricably linked with the level of their innovative potential. That is, if we focus on the development history of developed companies, they will be able to provide many innovative changes and services to their customers through the continuous development of innovative activities in the overall activities of companies. At the same time, the financial position of companies will be stabilized, strengthening their market position.

The Global Innovation 1000 study shows that companies that make the most of innovation in 2019 had a profitability ratio (11%) and an economic growth rate (22%). These figures show that these enterprises are not only growing faster than the rest, but are also operating efficiently. [2] At the heart of such economic development is the fact that enterprises are more innovative as a result of the implementation of innovations than other competitors.

The innovative potential of the enterprise reflects all aspects of the enterprise, is the ability to create innovation and use it in practice. [3] Accordingly, the innovative potential of the enterprise includes the following elements:

- Material and technical resources of the enterprise,
- Tangible and intangible assets of the enterprise,
- Financial resources,
- Organizational resources,
- Human resources,
- Socio-psychological factors.

As a logical continuation of the above idea, among the foreign scholars, Helena Danilina and Zhanna Mingaleva also gave tariffs. The innovative potential of enterprises is a set of components that represent the ability to create innovations and use them in practice. [4] Accordingly, the innovation potential is considered to consist of the following components.

- Human element,
- Material and technical element,
- Information element,
- Organizational element,
- Financial element,
- Efficiency element,
- Managerial element,

- Law element,
- Social element,
- Creativity element.

As a result of his research, it was concluded that the formation of innovative potential of industrial enterprises is largely based on the capabilities of the financial and human capital elements of the enterprise. [5] The focus of researchers is that the innovative potential of the enterprise depends primarily on the financial condition of the enterprise and the state of human capital of the enterprise. Any innovation (innovation) requires the implementation of financial resources, and the effectiveness of the process of its implementation depends largely on the capacity of managers and employees of the enterprise.

## CONCLUSION.

The innovative potential of the enterprise is a set of resources required to carry out innovative activities in the enterprise, which is an indicator of the level of ability and capacity to carry out innovative activities. The innovative potential of enterprises consists of the following components:

- Staff potential;
- Potential for financial and economic resources ;
- Production technological potential;
- Scientific and technical potential;
- Organizational and managerial potential;
- Marketing and information supply potential.

The innovative potential of the enterprise arises as a result of the formation of its components. As a result, the innovative activity of the enterprise is formed. Innovative activity is carried out through the management of the innovative potential of the enterprise. As a result of managing the innovative potential of the enterprise, the level of competitiveness of enterprises will increase, new markets will be introduced, the consumer audience will expand and the profitability of the enterprise will improve.

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