

## DIGITAL TRANSFORMATION IN THE ENTERPRISE AND ITS EFFECTIVENESS

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<https://doi.org/10.5281/zenodo.20513318>

**Abstract.** *This article presents a comprehensive scientific analysis of the role and significance of digital strategies and innovation management in enhancing enterprise efficiency.*

*Innovation management supports the development and implementation of new ideas, thereby increasing overall enterprise productivity.*

**Keywords:** *enterprise efficiency, digital strategies, innovation management, digital transformation, efficiency improvement.*

### INTRODUCTION

In recent years, digital transformation in the global economy has had a fundamental impact on socio-economic systems, business models and management practices.

Digital transformation is the process of increasing efficiency and strengthening competitiveness by introducing digital technologies into all areas of an enterprise's activity, which involves the integration of digital tools, infrastructure and systems. In today's digital age, digital strategies remain a strategic priority for enterprises, as competition in the market is becoming increasingly fierce and the complexity of consumer demands is increasing.

Enterprise efficiency is the degree to which an organization achieves its set goals, which is assessed through indicators such as production efficiency, financial performance, customer satisfaction, and optimal resource utilization. Efficiency is a complex concept expressed through measures of system efficiency, effectiveness, and productivity. Increasing the efficiency of enterprises is of great importance in their strategic development, as it allows for sustainable growth in the market, profitability, and strengthening innovative potential.

Digital transformation has a significant impact on the enterprise's management system, work processes, and strategic decision-making mechanisms. Digital strategies are a set of strategic directions developed for the use of digital technologies at all levels of an enterprise's activities, through which enterprises optimize internal processes, reduce costs, and expand innovative capabilities.

Managing the digital transformation process increases the effectiveness of innovation management, as these two elements complement each other: digital tools accelerate the implementation of innovative ideas into practice, and innovation becomes an impetus for deeper implementation of digital strategies.

### LITERATURE REVIEW

Innovation management is the management of the process of creating and implementing new products, services, or business processes. It involves the systematic planning, monitoring, and evaluation of innovation activities within an organization [1]. Innovation management contributes to increasing efficiency in the following areas: optimizing production processes through the efficient allocation of resources; applying new methods to solve problems; creating products that meet customer needs and quickly bringing them to market.

Research on the relationship between digital strategies and innovation management, their impact on enterprise efficiency, has been gaining significant attention in recent years.

Their impact on management processes and the success factors of implementing digital technologies are also being analyzed. In particular, digital strategies are transforming decision-making related to strategic resources into systems that are more informed, transparent, and able to quickly adapt to changing market conditions.

In modern business conditions, enterprises are looking for ways to increase resource efficiency, automate processes, create decision-making systems based on real-time data, and strengthen customer relationships by implementing digital strategies. At the same time, innovative management strategies guarantee a systematic approach to the implementation of new ideas and increase market flexibility for the enterprise. Their synergy strengthens the intellectual capital of the enterprise and contributes to long-term growth in efficiency [2].

In the literature, digital strategies and innovative management are often analyzed as interrelated and important factors in increasing the efficiency of the enterprise. The term digital strategies is interpreted as a set of strategic decisions developed to increase the efficiency of the organization through the systematic introduction of information and communication technologies into all areas of the enterprise's activities. This approach allows for the automation of business processes, the use of real-time data analysis, strengthening digital relationships with customers, and the rational use of resources. Studies conducted in recent years empirically confirm the positive impact of digital transformation on efficiency.

For example, in the manufacturing sector, the implementation of digital monitoring systems has been shown to reduce the level of failures in production processes and increase the efficiency of technical maintenance. It has also been found that in service enterprises, establishing digital relationships with customers has increased customer satisfaction and increased sales. These studies provide practical examples of how the implementation of digital strategies can improve enterprise performance and increase efficiency. The literature on innovation management shows that the management of the innovation process plays a central role in increasing the competitiveness of an enterprise.

Innovation management provides opportunities for reorienting existing resources to increase efficiency, forecasting market trends, and adapting quickly. In particular, iterative development methodologies, such as the Agile approach, have been cited as effective tools for managing innovation projects. This methodology increases the quality and efficiency of the final product by dividing processes into parts, testing and revising at each stage[5]. Digital tools support innovation processes, save resources, automate processes, and effectively organize knowledge exchange within the organization.

#### **METHODOLOGY**

This study used literature review, empirical observation, and qualitative analysis methods to determine the role of digital strategies and innovation management in improving enterprise efficiency. Through literature review, theoretical foundations were identified based on scientific studies, monographs, and international publications, and the impact of digital transformation and innovation management on efficiency was studied.

Using the empirical observation method, changes in the activities, operational processes, and financial indicators of enterprises that implemented digital strategies were analyzed.

Through qualitative analysis, the impact of digital transformation and innovation management processes on efficiency was determined, the advantages of process optimization and integrated systems were demonstrated. The main principle of the research methodology is that the impact of digital strategies and innovation management on efficiency is studied as a complementary system, and theoretical foundations and practical results are analyzed in an integrated manner.

At the same time, the digital transformation process allows you to adapt the enterprise strategy to market requirements, quickly implement technological innovations, and automate processes. Innovation management strengthens digital strategies by systematically managing the internal system of the enterprise, effectively organizing the process of developing and implementing new ideas. Innovation management allows you to stimulate the creative potential of employees, enhance internal knowledge exchange, and quickly and qualitatively launch new products or services to the market. Thus, the combination of creative and strategic potential within the enterprise is realized. It has been found that the integrated application of digital strategies and innovation management is significantly more effective than individual approaches in increasing the efficiency of the enterprise. Digital tools accelerate innovation processes, enable informed decision-making, and make processes transparent.

At the same time, innovation management strategically directs digital resources, systematically manages processes, and ensures effective monitoring of changes within the enterprise. Digital transformation has a positive effect on the financial efficiency of the enterprise, production efficiency, and customer satisfaction. For example, the introduction of automated systems in production processes increases efficiency by reducing failures and reducing production time. Strengthening digital relationships with customers increases their satisfaction, increasing sales and profitability. At the same time, the study shows the importance of a number of conditions for the successful implementation of digital strategies and innovation management. The digital literacy of enterprise employees, the quality of strategic planning, the allocation of sufficient financial resources and a flexible management system are the main factors determining the effectiveness of digital transformation and innovation management.

If these factors are not paid enough attention, digital and innovation projects may not produce the expected results. In general, the study shows that digital strategies and innovation management require a strategic and systematic approach to improving enterprise efficiency. An integrated approach strengthens the competitiveness of the enterprise, optimizes resources, improves the quality of decision-making and contributes to sustainable development. Therefore, the joint application of digital transformation and innovation management allows enterprises to ensure long-term efficiency and rapid adaptation to market conditions. In the future, the implementation of digital strategies and the development of innovation management will remain a strategic priority for enterprises. At the same time, their successful implementation is associated with the harmonization of knowledge and resources within the enterprise, the systematization of innovation processes and the effective integration of technological innovations.

The results of the study, as practical recommendations, recommend that enterprises ensure the systematic application of innovation management when implementing digital strategies, which will serve to increase long-term efficiency and competitiveness.

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