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Analysis of the Current Situation in the Business Management System

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Abstract. Businesses are typically established to generate profit; however, long-term viability depends on more than profitability alone. Ensuring organizational effectiveness requires a clear development strategy and continuous monitoring of how the business system changes over time. For this reason, assessing development indicators should not be limited to past performance outcomes. Managers must also introduce updated criteria that reflect new priorities, risks, and growth expectations.

Business success and efficiency are largely determined by how rapidly and with what level of resources an enterprise can achieve its strategic objectives. To build an effective target-oriented management system, an organization first needs to clarify, formalize, and communicate its goals. The next stage involves developing performance standards aligned with these goals, defining concrete tasks and initiatives, and assigning the authority and responsibilities required to implement them. Finally, a target management system becomes functional only when motivation and incentive mechanisms are aligned with the stated objectives, ensuring that personnel engagement directly supports organizational priorities.

Keywords: *business, finance, innovation, human resources, forecasting*

Introduction

Management by objectives (MBO) was introduced by Peter Drucker in the 1950s as a response to the limitations of traditional management approaches. Over time, the logic of MBO has been integrated into broader performance-management models, emphasizing that organizational goals can be achieved more effectively when they are translated into measurable indicators. In practice, strategic objectives are commonly operationalized through four interrelated perspectives and their corresponding indicator groups: finance, customers, business processes, and personnel/innovation/development (Amrahov et al., 2023).

Financial indicators remain central to evaluating business performance because they summarize outcomes such as revenue, costs, profitability, and turnover. However, an excessive focus on short-term financial metrics can distort managerial decision-making and weaken long-term competitiveness. For example, firms may improve operational figures by reducing product development costs, lowering service quality, or cutting employee development programs—actions that may produce immediate gains but undermine sustainable growth (Amrakhov, 2022). Commonly used financial measures include sales revenue, turnover, and cost-related indicators (Ariabod et al., 2019).

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Customer-oriented indicators reflect the effectiveness of a firm's interaction with its target market. These metrics can capture customer satisfaction, retention, growth, and transaction profitability. In addition, customer measures should account for the attributes that matter most to consumers in a specific industry—such as order fulfillment speed, delivery reliability, or product performance during warranty periods (Vodyasov, 2016). Together, these perspectives provide a balanced basis for linking strategic intent with measurable outcomes and for aligning organizational action with long-term development priorities (Amrahov et al., 2023).

Methodology

Within the business process perspective, the analysis focuses on performance indicators that describe the most critical internal processes of the enterprise. At the stage of developing a target-oriented management system, organizations may need to redesign existing processes or introduce new ones to support innovation and the creation of previously unavailable products and services. Typical indicators in this group include inventory turnover, production cycle duration, and utilization rates of production equipment (Mirzazada & Camalov, 2025).

Indicators related to personnel, innovation, and development are more forward-looking than other categories because they assess the potential of key system components—human resources and the information infrastructure supporting organizational learning and improvement. This perspective includes measures of employee satisfaction, staff turnover, skill levels, training effectiveness, and infrastructure development. It is also reasonable to evaluate the effectiveness of information systems that support internal processes and provide timely information about customer needs and patterns of interaction (Mirzazada, 2025).

If required, firms may introduce additional perspectives for grouping objectives and indicators. For each area, organizations formulate key goals and define relevant performance measures in line with their strategy and managerial philosophy (Amrakhov et al., 2022). Although selecting the most meaningful success factors and identifying indicators that best reflect goal achievement is partly a creative process that cannot be fully formalized, the completeness and accuracy of indicators remain essential for building a reliable picture of the organization's current condition and potential (Amrahov, 2015).

One practical approach to constructing a management system is the planning–monitoring–measurement model. Its advantage lies in creating a coordinated framework of actions across all organizational levels and linking daily activity to strategic goals. In this sense, it functions primarily as a tool of operational management by enabling regular monitoring of processes and employee activity (Bulatova, 2010).

Target-oriented management is often considered one of the most systematic and effective practical tools for enterprise-level improvement. Research indicates that its implementation can increase managerial efficiency and reduce management costs, while decreasing direct managerial involvement in routine operational tasks. This also enables the delegation of day-to-day administration to hired managers without losing overall control (Amrahov et al., 2023; Ashenfelter et al., 2006). Moreover, without expanding payroll costs, organizations may achieve improvement in key performance outcomes such as sales, profit, customer satisfaction, production volume, and quality (Amrahov et al., 2025). Enhanced efficiency and development dynamics are further supported through continuous monitoring and incentive systems linked to process performance indicators (Mirzazadeh & Zeynalli, 2024).

In addition, target-oriented systems tend to improve communication speed and execution discipline, making management actions more transparent and predictable for staff. They also create stronger material and psychological incentives for employee self-development (Amrahov, 2014). As employees become more active and independent in solving everyday problems, the operational burden on managers decreases, creating more capacity for planning and forecasting.

Finally, a balanced set of target indicators enables real-time monitoring and timely corrective action. When indicators approach critical thresholds, managers can intervene early to prevent losses and stabilize performance (Amrahov, 2023). This supports more proactive planning, as managerial attention shifts from reacting to emerging problems toward identifying and exploiting market opportunities (Amrahov et al., 2024).

Results

Business development goals and objectives are closely connected with a systematic examination of existing market opportunities, their alignment with what the company can realistically offer, and the expectations of the target audience. In this sense, development is not limited to "growth for growth's sake"; it is oriented toward identifying where the company underperforms relative to market demand and where value can be created or strengthened. The core logic of this function is to reduce or eliminate gaps—between consumer expectations and the company's current offer, between competitor standards and the firm's capabilities, and between the firm's resources and the demands of a changing environment. When these gaps are addressed through deliberate managerial action, the resulting added value can be transformed into additional income and stronger competitive positions. This process requires continuous trend analysis, the search for new solutions, and the implementation of innovations, including new or redesigned business processes that improve productivity and market responsiveness (Amrahov et al., 2023).

Within this framework, business development can be implemented through several major task directions. One important option is the identification of and entry into new markets, which involves searching for opportunities either in the external environment or in the organization's internal, unrealized potential. This may include expanding into new geographical areas, targeting new consumer segments, or finding alternative applications for existing products and services. Another direction is the improvement of the existing business portfolio, which means strengthening already achieved market positions and increasing competitiveness, thereby expanding market share through more stable customer relations, stronger brand visibility, and improved product–market fit. A third option is the improvement of business processes, aimed at increasing the productivity and profitability of the enterprise's current activities. In practice, this includes revising operational cycles, minimizing resource losses, optimizing supply chains, and introducing management tools that support quicker decision-making. Finally, business development may involve transformation of the business model, which requires analyzing deeper organizational changes to create new value and redesign the logic by which a company produces, delivers, and captures that value (Amrahov, 2025).

At the same time, the characteristics of these tasks demonstrate that it is unrealistic to pursue all types of development simultaneously with equal intensity. Business development priorities inevitably change as the external environment evolves and as the organization's internal conditions—resources, competencies, risks, and strategic ambitions—shift. Therefore, the management of business development typically follows a recurring cycle that includes evaluation of the market context, selection of priorities, planning initiatives, and assessing results for further adjustment. In this sense, the business development function can be interpreted as a "hub" where entrepreneurial ideas are collected, refined into initiatives, and implemented through structured managerial decisions. When executed consistently, these initiatives strengthen the company's position in the market and enhance its ability to compete in both current and emerging conditions (Mirzazada, 2025).

Discussion

Business development is often described as a combination of marketing, sales, and the creation of an effective distribution system; however, this description should not be understood in a narrow or literal sense. These functions may not always be directly subordinated to one department, yet business development draws on their instruments and logic to ensure enterprise growth. In particular, marketing supports the identification of consumer needs and the positioning of the company's offer; sales contributes by converting value into revenue and maintaining customer relationships; and distribution systems determine how effectively the offer reaches the target audience. Therefore, the relationships between marketing, sales, and distribution are fundamental for business development tasks, especially when companies aim to maintain market relevance and strengthen competitive advantages under changing conditions (Amrahov et al., 2022).

Business development tools are typically oriented toward identifying problems, generating new solutions, and increasing enterprise efficiency across several interconnected areas. The first area is long-term value, which refers to maintaining and increasing value at the highest possible level over time. This value is expressed through consumer perception: customers continue to demand a company's product or service when they consistently see that the benefits outweigh the costs. In practice, long-term value depends on reliability, the stability of quality, service standards, and the firm's ability to adapt its offer without losing its core strengths. The second area concerns markets, because consumers are always located within certain market structures. This notion is not limited to geography; markets can also be defined by demographics, lifestyle, behavior, purchasing patterns, and cultural preferences. Accordingly, identifying opportunities to reach new consumers—whether through segmentation or geographic expansion—becomes one of the main ways to maintain and increase long-term value.

The third area is access to the consumer audience. Even the most effective offer cannot generate growth if consumers are not aware of it, do not trust it, or do not perceive it as relevant. Therefore, business development requires not only producing value but ensuring that the offer reaches consumers' attention and becomes part of their decision-making process. In competitive markets, access to consumers depends on communication strategies, brand recognition, trust-building, and the ability to respond to shifting preferences. The fourth area is partnerships, since no enterprise exists in complete isolation. Firms interact with other organizations in production, logistics, advertising, sales channels, customer service, and technological support. Establishing and managing these relationships is essential for maintaining and increasing value because partnerships influence both cost structures and the quality of delivery. In many cases, partnerships provide the firm with additional resources, access to distribution networks, and knowledge that would be expensive or impossible to create internally.

The fifth area relates to processes, because scalable growth requires processes that can be repeated and transferred to new markets. Business development becomes significantly more difficult when an enterprise depends on overly complex, inflexible, or poorly documented internal procedures. A system that is too complicated becomes an obstacle to expansion, since replication in new markets requires stability, standardization, and the ability to scale without losing control. Therefore, the development of clear, adaptable, and repeatable processes is a major condition for conquering markets and sustaining growth.

The choice of business development approaches depends on the firm's overall strategy and the external conditions that shape opportunities and risks. Since many environmental factors cannot be controlled, companies must treat change as a permanent reality. The role of the external environment is particularly visible through four major dimensions. The first is the dynamics of change, which reflects how quickly market conditions transform due to technology, consumer preferences, government regulations, and political-economic developments. The second is complexity, which refers to the structure of the environment and the number of interconnections between its elements. Not all changes directly affect a company; however, small changes can sometimes create significant consequences through chain reactions. In complex systems, the "domino effect" becomes more frequent: shifts in one element produce waves of changes in others, forcing enterprises to rethink their activities and adapt.

The third dimension is limited resources. Even the most carefully designed development strategy may be constrained by shortages of supply, labor, materials, technology, or financial resources. In modern conditions, scarcity may appear contradictory to the idea of abundance, yet recent market experiences demonstrate that shortages can emerge unexpectedly and disrupt production, delivery, and expansion plans. The fourth dimension is uncertainty, which captures the degree of unpredictability in environmental conditions. The higher the uncertainty, the more difficult it becomes to forecast market behavior and incorporate changes into development plans. Under such conditions, managerial decision-making must rely more strongly on facts, data, and evidence-based analysis rather than intuition or assumptions.

Conclusion

Business development strategies and the technologies supporting them differ depending on the firm's sector, competitive environment, and consumer needs. Before selecting specific strategies, companies typically conduct a detailed analysis of the market in which they operate, assess their internal capacities, and study the preferences and expectations of target consumers. Despite diversity in practice, strategic approaches can generally be grouped into several major types. The first is a market penetration strategy, which aims to strengthen the company's position in the existing market with its current offer. This approach focuses on increasing market share, often by outperforming competitors through quality, pricing, promotion, or service improvements, which typically leads to intensified competition for consumer choice (Yermekova et al., 2024).

The second is a market development strategy, which becomes relevant when growth opportunities in the current market are limited or when competition becomes economically unprofitable due to increased marketing and operating costs. In such cases, the company may seek new consumer segments or new applications for its product and services. In effect, the firm becomes a catalyst for market development, introducing value to audiences that were previously outside its reach

(Mustafiyanti et al., 2023). The third type is a supply expansion strategy, where the company introduces new products or related services to the existing target audience. This approach increases overall sales and creates additional profit opportunities by enlarging the share of consumer spending captured by the enterprise. The fourth is a diversification strategy, which involves promoting new products and services in new markets. Although it may provide significant growth potential, diversification is the riskiest option because it involves innovation targeted at an unfamiliar consumer audience and requires substantial investment and managerial flexibility.

Alongside strategic options, technological innovation increasingly shapes business development. Digitalization supports growth by strengthening relationships with customers, expanding communication channels, and broadening the company's offer to improve consumer experience. In many cases, technologies allow firms to identify growth potential that is not immediately visible or to compensate for informational limitations. At the tactical level, several technologies contribute directly to development. Big data analytics and processing algorithms improve decision-making by enabling faster and more accurate market monitoring, visualization of performance through charts and dashboards, and identification of consumer patterns and competitor dynamics. Real-time access to reliable information supports continuous performance improvement and reduces risks by enabling more timely managerial intervention.

Marketing automation also plays a major role, since business development often requires doing more with limited time and resources. Automation tools reduce the time required to create and distribute advertising messages, increase communication efficiency, and help firms reach consumers with lower marketing budgets. Online communication and sales technologies further expand business availability by allowing consumers to interact with company offers at any time, which strengthens accessibility and convenience. Finally, channel integration supports continuity of communication: when companies can accurately identify customers across channels and devices, they avoid interrupting dialogue and do not need to restart interactions when the customer pauses. This reduces service time, frees staff for other tasks, and increases customer satisfaction by ensuring consistent engagement.

Overall, business development remains essential for every enterprise regardless of its size or the market in which it operates. Sustainable growth depends on the strength of entrepreneurial initiative, managerial ability to identify revenue opportunities, effective selection of target markets, and the capacity to communicate with consumers and build stable relationships with them. In this regard, the vitality of the entrepreneurial spirit and the quality of strategic and operational decisions largely determine the dynamics of business development and long-term performance outcomes (Abbasova et al., 2025).

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