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**Abstract:** This article highlights the role and significance of the optimal cost strategy in ensuring the sustainable development and competitiveness of enterprises. The optimal cost strategy is an economic approach aimed at the rational use of resources, the reduction of inefficient expenditures, the optimization of production processes, and the improvement of cost structures through innovative solutions. The article analyzes cost analysis methods, the factors that shape costs at an optimal level, opportunities for the economical use of resources, and the impact of costs on product quality and competitiveness. In conclusion, it is noted that the optimal cost strategy serves enterprises not merely as a tool for reducing expenditures, but as an important strategic factor for strengthening their market position, increasing profitability, and achieving sustainable economic growth.

**Keywords:** optimal costs, strategy, cost management, enterprise strategy, financial stability, production costs, economic analysis, savings, efficient use of resources.

### **Introduction.**

Today, effective management and the rational use of resources are essential to the successful operation of any company or organization. These issues are of particular importance in the field of cost management. One specific approach aimed at reducing expenditures and improving economic efficiency is the “optimal cost strategy.”

Through this strategy, an organization achieves a high level of operational optimization, reduces costs, and enhances its competitiveness. Cost optimization not only yields short-term results but also serves as the foundation for long-term sustainable development.

### **Literature Review**

The Republic of Uzbekistan has accumulated considerable experience in the field of strategic development planning, which is regarded as a key instrument of the country’s sustainable growth.

With regard to strategic planning, it should be noted that in recent years Uzbekistan has repeatedly defined strategic goals and objectives for economic development. The adopted Strategy “Uzbekistan—2030” emphasizes that its primary goal is to fulfill the will and aspiration of the people to build a free, prosperous, and strong New Uzbekistan; to create all conditions for the full realization of each citizen’s potential; to raise a healthy, educated, and spiritually mature generation; to form a powerful economy that has become an important link in global production; and to ensure justice, the rule of law, security, and stability.”<sup>1</sup>

With the development of innovation and modern technologies, new methods and strategies for expense management are being introduced. The optimal cost strategy provides companies with the opportunity not only to ensure financial stability but also to improve the efficiency of their operational activities. This, in turn, contributes to strengthening the organization’s market position.

In practice, implementing a strategy is in many cases associated with carrying out complex, long-term plans. From a philosophical standpoint, a strategy defines the future direction of every

<sup>1</sup> Decree of the President of the Republic of Uzbekistan, dated 11.09.2023, No. UP-158 On the Strategy “Uzbekistan—2030”

organization; however, it requires constant change, renewal, and development across various dimensions.

A strategy typically encompasses a set of detailed plans spanning several years. In other words, the philosophy of strategy lies in shaping an organization's actions over an extended period and evaluating its results at different stages. This requires deep strategic thinking and a strong sense of purpose. In practice, the soundness of the chosen directions and decisions is often confirmed only over time.

An important place in the philosophy of strategy is occupied by the balance between various processes and contradictions. A strategy is not realized in a single form or direction—it encompasses a complex of interrelated processes driven by internal and external factors that influence the achievement of the organization's goals. In other words, the complexity of strategy lies in the fact that it is connected with the long-term consequences of decisions made and their implementation at different stages of the company's development.

A strategy should reflect the following ideas:

People strive to make the most of life's opportunities. It is precisely the pursuit of personal gain that motivates people to work, fosters growth and self-improvement, serves as the driving force of development, and ultimately determines the well-being of society as a whole.

The nature of interests is determined by personal views related to taste, culture, values, and other factors. In making choices, no grounds are permissible other than respect for moral and social norms—whether they concern important or minor decisions, “genuine” or “false” needs.

It is through free and competitive exchange that people and organizations interacting with one another achieve their goals. When exchange is free, it takes place only when both parties benefit; and when it is competitive, the risk of producers abusing their market position is minimized.

The mechanisms of a market economy are grounded in the principle of personal freedom, and in particular in the principle of consumer preference. The moral foundation of this system lies in the fact that people bear responsibility for their actions and independently determine what is good and what is bad for them.

The application of this business philosophy presupposes two areas of work for an enterprise:

The first area involves the ongoing and systematic analysis of the needs and requirements of key customer groups, as well as the development of an effective product and service concept that will enable the company to serve its chosen customer segments better than its competitors, thereby securing a lasting competitive advantage.

The second area — demonstrating the unique characteristics of the product, while simultaneously reducing the costs of informing potential buyers and acquiring new customers.

According to Kh. Asatullayev, B. Tursunov, and A. Mamanazarov, making adjustments to an enterprise's strategy is a normal and entirely natural process. Sometimes it becomes necessary to change the strategy, as only in rare cases does an enterprise's strategy withstand the test of time.

The key questions of enterprise strategy are formulated as follows: “How do we envision our enterprise, what do we want to do, and what do we intend to achieve?”, “Who are we, what do we do, and where are we headed?”<sup>2</sup>

According to G. L. Bakiyev, every firm or company must have an individual working style that takes into account prevailing conditions, capabilities, goals, and resource bases.”<sup>3</sup>

<sup>2</sup> Kh. Asatullayev, B. Tursunov, A. Mamanazarov. Enterprise Development Strategy. (Lecture notes). – Tashkent: 2019, 29 pp.

<sup>3</sup> Bakiyev G.L. Marketing. – Moscow: Ekonomika, 2005, p. 114.

All enterprises, when developing their long-term strategies, must take the above-mentioned strategic plans into account. This, in turn, enables forecasting in the context of rapidly changing market conditions. A company's competitive strategy encompasses the business approaches and initiatives used to attract customers, compete effectively, and manage its market position.

In addition, all employees of the company must apply their abilities—intellect, innovative drive, and initiative—to propose effective ways of reducing costs. Particular attention should be paid to the set of factors known as the “cost structure.” This factor has a significant impact on the company's expenditures.

In order for a company to manage its value chain more cost-efficiently than its competitors, managers must undertake coordinated, unified, and continuous work to identify cost-reduction opportunities in every part of that value chain.”<sup>4</sup>

The goal is quite straightforward: to conduct business honestly and fairly relative to competitors, to achieve a competitive advantage in the market, and to build a loyal base of repeat customers.

“M. Porter substantiated the principles of creating competitive advantages in business activity. They are formed at each stage through the creation of one's own value. This primarily involves a comparative analysis conducted by comparing the consumer attributes generated at various stages of a product's production, marketing, and sales against the costs incurred in creating those values.”<sup>5</sup>

According to N. K. Yuldashev, “a company's competitive strategy is the totality of business approaches and initiatives aimed at attracting customers and competing to strengthen the company's market position.”<sup>6</sup>

### **Research Methodology**

In the course of the research, the methods of economic analysis, statistical grouping, systems analysis, and comparative analysis, along with other methods, were employed.

### **Analysis and Results**

A company's competitive strategy, as a rule, includes both offensive and defensive actions carried out in response to changes in market conditions. Moreover, a competitive strategy encompasses short-term tactical actions aimed at timely responses to changing situations, as well as long-term processes related to the company's future competitive capabilities and its market position.

The cost leadership strategy involves reducing the overall costs of purchasing and selling goods or services, which helps attract a larger number of buyers. The broad differentiation strategy is aimed at giving a company's products unique characteristics that distinguish them from those of competitors, helping to attract more buyers. The best-cost strategy provides buyers with the opportunity to obtain more value for their money, while giving the company an advantage through a combination of low costs and broad product differentiation.

The focused low-cost strategy targets a narrow group of buyers, where the company gains an advantage over competitors through low production costs. The focused differentiation strategy is aimed at providing a chosen market segment with goods or services that fully meet the tastes and requirements of that segment's buyers. To maintain its market position, the company undertakes competitive actions directed at attacking competitors or defending against their threats. The nature of these actions depends on the company's position in the target market: a market leader is a company holding the largest market share; market challengers occupy second place among competitors and actively fight to increase their market share; market followers belong to the group of leading

<sup>4</sup> [https://openu.kz/storage/lessons/2386/osnovy-strategicheskogo-menedzhmenta-poiski-konkurentnogo-preimuschestva\\_11\\_lecture.pdf](https://openu.kz/storage/lessons/2386/osnovy-strategicheskogo-menedzhmenta-poiski-konkurentnogo-preimuschestva_11_lecture.pdf)

<sup>5</sup> Strategic Management / Edited by Petrov A. N. — St. Petersburg: Piter, 2005. — 70 pp.: ill. — (Series “University Textbook”).

<sup>6</sup> Yo'ldoshev N.Q. Strategik menejment. Darslik. – T.: «IQTISODIYOT», 2019. – 67 b.

companies that seek to retain their share without causing major disruptions in the industry; and market niche specialists are companies that focus on serving narrow market segments that competitors do not target.

### Conclusion

The cost optimization strategy requires a company to simultaneously possess the experience and capabilities necessary to reduce costs and differentiate its products. It represents the company's path from a differentiation strategy toward price reduction. The objective of the cost optimization strategy is to offer consumers a product with high consumer value that meets their expectations in terms of core attributes while costing less than anticipated.

### References

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