

Features of Formation and Implementation of the Financial Strategy of the Organization in the Context of Digitalization

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Abstract: Digitalization has become a key trend in modern development, affecting many areas of modern society. The widespread adoption of digital technologies is contributing to the improvement of organizations' financial management systems, including through the modernization of financial strategies. The study determined that effective management tools include the development and implementation of an organization's financial strategy, tailored to the current economic environment, as well as consideration of the specifics of the industry and the business model being used. Digitalization opens up new opportunities for improving business efficiency and manageability, but also creates challenges associated with new risks and threats that must be considered when formulating financial strategies.

Key words: finance; financial strategies; digitalization; e-commerce; digital technologies.



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The dynamic and fluid nature of the domestic business environment objectively requires a strategic approach to financial management. Financial strategy, as an integral part of corporate strategy, aligns financial goals with the overall objectives of the organization's long-term development. Above all, the successful development of a financial strategy requires full integration with corporate strategy. Thus, financial goals should reflect the broader organizational goals, ensuring synergy between financial decision-making and the overall direction of the business.

Organizations that view financial strategy as an integral part of their overall strategic planning are better positioned to navigate uncertainty, capitalize on emerging opportunities, and achieve sustainable success in a constantly changing business environment. Increasing market competition, the risk of crises and upheavals, political, socioeconomic, environmental, and legal changes all increase the importance and relevance of developing new approaches to financial management as a key resource necessary for the stable functioning and development of every business entity.

The need for financial management stems from the fact that issues of developing and improving financial strategy are becoming increasingly pressing and, in essence, encompassing all activities

of economic actors. In the new economic reality, financial strategy plays a key role in setting goals, objectives, and decisions to ensure effective strategic management of organizations, as critical financial factors (risks, constraints, opportunities, and threats) are the foundation for determining their effective performance in the modern world.

The concept of "strategy" as interpreted by various authors has a common basis: strategy is goal-oriented and long-term in nature, but no consensus has been reached on the methodological basis for defining it. Key characteristics of the concept of "strategy" include a comprehensive approach, systematicity, orderliness, and a long-term focus. Taking this into account, financial strategy can be defined as an action plan associated with risk and uncertainty, the purpose of which is the effective development of an organization within the framework of its established mission, long-term financial goals, and developed corporate and business strategies, representing the financial support for its activities through the formation, coordination, distribution, and use of financial resources. Thus, financial strategy integrates various financial markets and instruments, including capital structure, investment decisions, risk and liquidity management, to optimize financial performance and increase the overall value of the organization [1].

The formation of financial strategy is influenced by a wide range of factors. The multifaceted nature of the phenomenon under study allows for the identification of a broad range of criteria for classifying financial strategies, including: by regulatory capability; by relation to the organizational environment; by degree of impact; by entities regulating the processes of formation and implementation, etc. [2]. Each of the aforementioned classification groups has its own influence on the formation of an enterprise's financial strategy; however, ranking the factors influencing the formation of financial strategy presents significant complexity.

In our opinion, global trends emerging in economic activity have a significant impact on the formation and implementation of financial strategies. One of these is undoubtedly digitalization , or the digital transformation of business. Currently, the digital economy is no longer viewed as a future scenario. In fact, it has become an integral attribute of modern economic systems, which inevitably impacts the development of financial management technologies and tools at all levels. Market development trends and the need to improve competitiveness and efficiency are forcing commercial organizations to engage in digitalization processes , restructuring their management technologies accordingly, including in the financial sector.

Automation of financial management processes is undoubtedly key to an organization's long-term development, successful competitiveness, and improved manageability and transparency of its overall operations. Digitalization has become the key to a planned, systematic, and qualified synergy between economic entities, leading to a more sophisticated and transparent form of financial management through transaction optimization, cost reduction, personalized consumption, collaborative efforts, active and in-depth predictive analytics, and more.

At the same time, the digital transformation of financial management in organizations has both positive and negative implications. According to KPMG research, the majority of organizations involved in digitalization were unprepared for the complex mechanisms involved. This was evident in the lack of a comprehensive approach to developing a digitalization program , leading to ad hoc solutions in an attempt to adapt to the digital environment. According to researchers, it was the immaturity of business processes , as well as the lack of qualified specialists, that hindered full-scale digitalization [3].

An organization's industry significantly influences the formation and implementation of its financial strategy. For example, due to the dynamic market, e-commerce organizations are actively adopting various innovative technologies, such as artificial intelligence, process automation, data analytics, and mobile apps, which help improve customer service, optimize processes, and increase business efficiency. The analysis also reveals a significant difference

between the conceptual business model of e-commerce and the traditional operating models of commercial organizations in the real economy.

Thus, further research into the specifics of developing and implementing financial strategies in the context of digital transformation will help identify ways to most effectively, balanced, and comprehensively develop financial management systems, taking into account industry specifics and the impact of a range of internal and external factors. This will serve as the basis for ensuring the stable and sustainable functioning of economic entities, and, above all, commercial organizations.

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