THE WAY IN WHICH A FINANCIAL STRATEGY CAN CONTRIBUTE TO STRENGTHENING A COMPANY'S SYSTEM OF CORPORATE GOVERNANCE

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ABSTRACT

In recent years, as a result of extensive reforms implemented in our country, a healthy competitive environment has been formed and the number of competitive companies has been increasing year by year, positively influencing the volume of gross domestic production. In addition to this, the financial and corporate management system of companies located in our country has been growing year by year, attracting foreign and local investments in the leading economic sectors of our country. This article discusses the importance and role of corporate management in companies through their financial strategies.

Keywords: corporate governance, financial strategy, transparency, accountability, shareholders, company's profit.

ANNOTATSIYA

So'nggi yillarda mamlakatimizda olib borilayotgan keng ko'lamli islohotlar natijasida, sog'lom raqobat muhiti shakllanib, raqobatbardosh korxonalar soni yildan yilga ortib bormoqda va bu yalpi ichki mahsulot hajmiga o'zining ijobiy ta'sirini ko'rsatmoqda. Bundan tashqari mamlakatimizda joylashgan korxonalarning moliyaviy hamda korporativ boshqaruv tizimi yildan-yilga o'sib borib, mamlakatimizning yetakchi iqtisodiy tarmoqlarida keng ko'lamda xorijiy va mahalliy investitsiyalar jalb qilinmoqda.

Ushbu maqolada muallifning kompaniyalarda korporativ boshqaruvning o'rni hamda ahamiyati bilan bir qatorda kompaniyaning moliyaviy strategiyasi yoritib berilgan.

Kalit so'zlar: korporativ boshqaruv, moliyaviy strategiya, shaffoflik, hisobdorlik, aksiyadorlar, kompaniya foydasi.

АННОТАЦИЯ

В результате широкомасштабных реформ, проводимых в последние годы в нашей стране, формируется здоровая конкурентная среда, количество конкурирующих предприятий постоянно растет, что положительно сказывается на объеме производства товаров и услуг. Кроме того, молодая финансово-корпоративная система компаний, расположенных в нашей стране, продолжает развиваться год за годом, привлекая широкий спектр иностранных и местных инвестиций в ведущие экономические отрасли нашей страны. В данной статье автор описывает место и значение корпоративного управления в компаниях и представляет его финансовую стратегию.

Ключевые слова: корпоративное управление, финансовая стратегия, прозрачность, ответственность, акционеры, прибыль компании **.**

In the economic conditions of competition, analyzing the financial situation of companies, determining their profitability and not only for themselves, but also for creditors and investors, is of great importance. Financial analysis performs the task of opening up the company’s performance indicators to all interested parties. Financial analysis can show not only the financial condition of the company, but also its various activities and trends.

Companies set clear goals for themselves and determine their achievement strategy. However, relying solely on strategic methods and techniques does not guarantee success in practice, as developing and implementing a strategy does not guarantee achieving the desired results. Developing a company’s development strategy begins with identifying its main directions of entrepreneurial activity. Based on this, its implementation forms are determined and a final decision is made. The strategy itself is a detailed plan that outlines every aspect to achieve any goal set by the company.

RESEARCH METHODOLOGY

Teamwork, corporate governance system, analysis and synthesis methods were used in this thesis.

RESEARCH RESULTS

The strategic corporate planning within economic fundamentals and milestones of companies’ development has special theoretical and practical importance. In market economics conditions maximizing profits and increasing their financial resources is considered as the main goal of any company. This requires identifying the needs for financial resources, finding sources for them, and developing a financial strategy that explores internal capabilities to increase them. Its development includes several stages such as:

- Expressing the purpose of the company and analyzing its strong and weak sides.
- Evaluating long-term opportunities and develop a growth forecast.
- Developing and optimizing general measures for corporate covercance system.
-Selecting the optimal strategy and implementing the plan for the company's corporate governance system.

Moreover, if we move to financial strategy, it is a part of the economic strategy that contributes to the implementation of the company's overall strategy [1]. The overall structure of investment and credit strategies shapes the company's financial strategy. The development of companies currently depends directly on well-established financial activity, as well as direct credit and corporate governance.The restructuring and formation of corporate governance system by a large number of legal entities leads to actions related to each other, which, in turn, requires that this system determines long-term monitoring, financial and investment strategies.

Once the general financial strategy is developed, specific departments develop investment and credit strategies based on the company's overall strategy and market conditions. These decisions align departmental activities with a common goal while also allowing for adjustments to other business directions at the discretion of management.The purpose of a company's financial strategy is to ensure its financial stability. Therefore, its goals are aligned with both financial and strategic management, expressing long-term directions for financial progress. In addition, developing and implementing a sound financial strategy ensures sustainable benefits from available financial resources, increasing demand for products, maintaining liquidity levels, preserving risk levels.

Choosing a solid analytical basis is essential when selecting a financial strategy for a company. The process of selecting a financially viable corporate strategy relies on analysis after comprehensive research has been completed at all stages in accordance with accepted methods [2].

Learning the process of corporate system in companies involves understanding its individual elements and analyzing the practical tasks involved in implementing them within the framework of the company's financial strategy. Such an approach allows for a more comprehensive decision-making process when formulating a financial strategy for the company. The following are some of its main elements:

1. Gathering information.
2. Taking into account external constraints and opportunities.
3. Conducting internal audits and assessing the impact of the external socio-economic environment on achieving strategic goals.
4. Choosing specific financial strategy.
5. Implementing chosen corporate system to the company.

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COMPOSITION OF BOARD OF DIRECTORS by 3 models

ANGLO-AMERICAN MODEL	GERMAN MODEL	JAPANESE MODEL
Composed of INSIDERS (a person who is either employed by cooporation, can be executive, manager, employee, or somebody who has significant personal and business relationship with corporate management.)	Composed of Management Board and Supervisory Board.	Composed of almost insider, that is, Executive manager and the Heads of major division of the company.

(table was made by authors by collecting informaning from "Corporate Governance: Principles, Policies and Practices" by Bob Tricker)

It is important to note that a company's corporate strategy should not be based lonely, on individual decisions, but rather on a system of decisions that are aimed at achieving a single goal, with each decision reflecting different aspects of the overall strategy. Based on our presented ideas, it can be emphasized that financial decisions in business activities can be divided into two groups: investment decisions and financing decisions [3]. The first group highlights how necessary financial resources can be obtained through various channels to support the company's goals while the second group focuses on how to allocate these resources effectively to solve problems encountered by the company during its operations. Investment decisions determine what investments are needed to solve issues identified by the company's strategic plan; these will also identify what resources are required for their implementation[4]. Such decisions will guide what projects should be prioritized as well as how they should be evaluated financially, including determining which projects will provide viable and productive results for the company. Once the type of investment appropriate for the project related to the company has been identified, the amount of money necessary to finance the project is determined. If none of the investment options proposed are suitable for the company's goals, then additional financing may not be necessary and any benefits can be distributed among all stakeholders[5].

In conclusion, it is evident that financial strategy plays a critical role in enhancing the corporate governance system of a company. A sound financial strategy can contribute to effective decision-making, risk management, and overall performance of the organization. By aligning financial goals with the company's objectives and values, a well-planned financial strategy can promote transparency, accountability, and ethical behavior within the organization. Furthermore, it can help build trust with stakeholders such as investors, creditors, customers, and employees. Therefore, companies should focus on developing and implementing robust financial strategies that support their corporate governance goals to achieve long-term success in today's highly competitive business environment. Financial strategy is the main part of corporate governance. An effective financial strategy ensures that a company is able to manage its finances effectively, make informed decisions and achieve its goals. The implementation of an effective financial strategy requires alignment with the company's overall objectives, a clear understanding of the market dynamics, and proactive risk management. Real-life examples of companies that have successfully implemented financial strategies to enhance their corporate governance include Apple Inc. and Amazon.com Inc. Apple implemented a financial strategy that focused on product innovation, cost optimization, and efficient capital allocation. This resulted in the creation of new products such as the iPhone and iPad, cost reduction measures such as outsourcing production to countries with lower labor costs, and efficient capital allocation through share buybacks and dividend payments. Amazon.com Inc. also implemented a successful financial strategy that focused on innovation, customer satisfaction, and risk management. The company invested heavily in new technologies such as cloud computing services, expanded its product offerings beyond books to include music, movies, and electronics, while also managing risks associated with changes in market dynamics. In both cases, the companies' financial strategies were aligned with their overall objectives and enabled them to achieve significant growth while maintaining strong financial health. Overall, an effective financial strategy is crucial for enhancing corporate governance. Companies that implement successful financial strategies are better positioned to manage risks effectively while achieving their goals. By aligning their financial strategies with their overall objectives and proactively managing risks, companies can achieve long-term success in today's dynamic business environment.

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