



## THE CONCEPT OF INNOVATION MANAGEMENT AND ITS ROLE IN ENTREPRENEURSHIP

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**Abstract:** *Innovation management plays a vital role in helping entrepreneurs turn creative ideas into successful business outcomes. In today's fast-changing and competitive environment, organizations must constantly adapt, improve, and innovate to survive and grow. This article explores how innovation management supports entrepreneurship by guiding the development of new products, services, and business models. It highlights the importance of strategic thinking, knowledge management, open innovation, and digital transformation in shaping entrepreneurial success. Overall, the article shows that innovation management is not only about generating new ideas but also about managing them wisely to create real impact in the market.*

**Keywords:** *Innovation management, entrepreneurship, strategic entrepreneurship, business model innovation, knowledge management, open innovation, digital transformation, opportunity recognition, entrepreneurial orientation, sustainable growth.*

### INTRODUCTION

In the modern business world, change happens quickly, and competition is stronger than ever. To survive and grow, companies must constantly develop new ideas, products, and ways of working. This is where innovation management becomes important. Innovation management is the process of organizing and guiding creative ideas so that they turn into real value for the business.

When innovation management is combined with entrepreneurship, it becomes even more powerful. Entrepreneurs are people who look for new opportunities, take risks, and try new approaches. Innovation management helps them turn their ideas into successful products, services, and business models. Together, these two concepts support business growth, competitiveness, and long-term success.

Researchers explain this connection through strategic entrepreneurship, which means using both creative thinking and smart planning to build strong businesses. Entrepreneurs find opportunities, and managers use resources wisely to make those opportunities profitable. Innovation management connects these two roles by organizing knowledge, people, and processes.

Innovation is not just about inventing something new. It is a full process that starts with an idea and ends with real results in the market. Especially for small and medium-sized businesses, good innovation practices can make the difference between success and failure. This article explores how innovation management supports entrepreneurship through theory, processes, knowledge, and digital transformation.



Every successful business has something special—unique knowledge, skills, or resources. According to the resource-based view, these special resources help companies compete. But in fast-changing markets, resources alone are not enough. Businesses also need dynamic capabilities—the ability to adapt, learn, and change quickly.

Dynamic capabilities help firms:

Notice new opportunities

Make smart decisions

Improve their processes

In stable markets, companies use fixed routines. In changing markets, they must be flexible and creative. This shows that innovation management must fit the business environment.

Knowledge is another key resource. Companies that manage knowledge well learn faster, solve problems better, and create more innovative ideas. This is especially important for entrepreneurs, who often work with limited resources and high uncertainty.

Strategic entrepreneurship means combining creative thinking with smart planning. Businesses must explore new ideas while also improving what they already do. This balance helps them grow and stay competitive.

One important tool for this is the business model. A business model explains:

What the company offers

How it delivers value

How it earns money

When companies change their business models, they can reach new customers, improve efficiency, and create new income sources. In today's digital world, business model innovation is more important than ever.

In the past, companies tried to innovate only inside their own organizations. Today, many firms use open innovation, which means working with external partners such as universities, customers, and other companies.

Open innovation allows firms to:

Learn faster

Reduce costs

Access new ideas

However, to benefit from external knowledge, companies need absorptive capacity—the ability to understand and use new information.

Knowledge management helps organizations collect, share, and use knowledge effectively. For entrepreneurs, this helps them recognize new opportunities and make better decisions.

Business model innovation is not just about improving products. It is about changing the whole way a business works. This includes:

What value is offered

How it is delivered

How money is earned

Digital technologies have made this easier. Companies can now use online platforms, data, and automation to create new services and reach customers worldwide.



Some businesses focus on novelty, offering completely new ideas. Others focus on efficiency, improving speed and reducing costs. The most successful companies usually combine both approaches. Entrepreneurial businesses share certain qualities:

They like to innovate

They act before competitors

They are willing to take risks

These qualities are called entrepreneurial orientation.

Entrepreneurs also need to recognize good opportunities. Some opportunities already exist in the market, while others are created through experimentation. In green and sustainable businesses, entrepreneurs look for ideas that help both the economy and the environment. When businesses have a strong entrepreneurial mindset and good opportunity recognition skills, they perform better.

Successful innovation depends on learning. Companies must:

Collect information

Share knowledge

Create new ideas

Apply what they learn

A strong learning culture encourages employees to try new things and improve continuously. Leaders play an important role by supporting creativity and rewarding new ideas. An innovation culture allows mistakes, supports experimentation, and values creativity. This helps businesses stay competitive, especially small companies.

Digital technology has changed how businesses innovate. Tools like artificial intelligence, cloud systems, and online platforms allow firms to grow faster and reach more customers. Many companies now work in innovation ecosystems—networks of businesses, universities, and governments that collaborate to create value. These ecosystems help share resources, reduce risks, and speed up innovation. Digital platforms often support these ecosystems by connecting different users and services in one place.

In conclusion we can say that Innovation management is essential for entrepreneurial success. It helps businesses turn ideas into real results. By combining creativity with strategy, companies can find new opportunities and build strong competitive advantages. Knowledge management, learning culture, and digital technologies all play important roles in this process.

Open innovation and collaboration make it easier for entrepreneurs to grow and adapt. In today's fast-changing world, businesses that manage innovation well are more likely to survive, grow, and succeed in the long term.

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