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STRATEGIES USED TO REDUCE RISK IN BUSINESS

Juraev Lazizbek
student at the Graduate School of Business and Entrepreneurship under the Cabinet of Ministers of the Republic of Uzbekistan

Annotation

Every entrepreneurial activity begins with the creation of a business plan and risk calculation. Business risk is the risk of losses and loss of income as a result of certain management decisions related to financial and economic activities. When starting a business, the manager tries to "catch" the balance between profit and loss reduction. To achieve a positive economic result, he must consciously make a risky decision. This article focuses on examining business risks to withstand negative impacts in the future. An algorithm to reduce some types of risks is also proposed.

Keywords: entrepreneurs, risks in business, diversification, insurance, business risk, risk reduction, strategies, risk distribution (outsourcing), futures and hedging, alternative solutions.

Risks are always present in business and reducing them is important for sustainable and successful business development. Today, entrepreneurs use various strategies and methods to reduce risks in their activities. This work analyzes the main risk reduction strategies in entrepreneurship, their advantages and problems.There are different risk mitigation strategies, the application of which depends on the organization's focus, industry and resources.

The most important strategies are:

- Diversification – aims to reduce business risks by expanding the type of products or services.This strategy reduces the company's dependence on a single product or market.
- Insurance – Financial risks can be reduced through insurance companies. Insurance helps companies cover losses and ensures financial stability.
- Risk distribution (outsourcing) – a method of reducing the risks associated with certain operations or activities by transferring them to external companies.

- Futures and hedging – use of financial instruments to reduce currency or market risks.

- Market Research and Forecasting – Determining customer demand by continuously monitoring market changes and trends.

Financial strategies to reduce risk Financial strategies aim to protect companies from financial risks:

- Creation of cash reserves – Creation of a cash reserve to provide rapid financial support in crisis scenarios.

- Diversification of loans and investments - attracting various sources of investment, maintaining close relationships with banks and investors.

- Optimization of capital structure – protection against risks through effective management of the company's financial structure. Рискларни камайтиришда инсон ресурсларини бошқариш

HR risks are also of great importance for the company and can be reduced through the following strategies:

- Human resources development – reducing risks related to human resources by creating a successful and efficient workforce in the company. - Additional personnel insurance - conclusion of insurance contracts for employees with dangerous working conditions.-

Improving Work Morale – Reducing the negative atmosphere or stress in the company.

Market Risk Mitigation Strategies Market volatility can lead to increased risks. The following strategies are used to reduce market risks:

- Diversification of markets – focusing company activities on several markets and simultaneously opening up new customers and markets.

- Conducting market research - adapting products or services by thoroughly studying the market and consumer demand.

- Change the marketing strategy - Offer products or services that match the needs of customers.

Technical and technological risk reduction strategies Technical risk reduction is carried out through innovations and technologies:

- Technological modernization – modernization of techniques and equipment, improvement of the production process through the use of digital technologies.

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- Automation of the production process – reducing dependence on human resources and increasing production efficiency.
- Ensuring information security – protecting against cyber risks by ensuring the security of digital assets.

Conclusion

Risk reduction strategies in business are of great importance for sustainable and effective business development. Strategies such as diversification, insurance, financial and human resources management effectively protect companies from internal and external risks. The correct and effective application of these strategies allows companies to strengthen their reliable market position and leads to economic stability.

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