

MECHANISMS TO INCREASE THE COMPETITIVENESS OF SMALL BUSINESSES

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ANNOTATION

In modern conditions, the key strategy of socio-economic development of the state is the development of small and medium-sized businesses. Small and medium-sized enterprises play an important role from a social and economic point of view, forming an equilibrium market environment, accumulating financial, economic and human capabilities of the regions of the state.

Key words: practically occur in a state of constant, external and internal, random and non-random factors

Unfortunately, the reality is that the activities of small and medium-sized enterprises today practically occur in a state of constant "stress". The enterprise is immersed in such a factorial environment of external and internal, random and non-random factors that management becomes manual, according to the principle of "extinguishing" constantly emerging problems. Therefore, the successful functioning and development of an enterprise requires an appropriate approach to the formation of its competitive strategy, which, in turn, necessitates the assessment of competitiveness through the evaluation of performance.

Assessment of the competitiveness of small and medium-sized enterprises is impossible without the following actions [4, p. 103]:

- determining the characteristics of the stability of the company's position in the market and its ability to produce products that provide stable profits;

- continuous monitoring of the company's performance indicators to make decisions on changing the range and volume of products produced (sold), developing new types of products (or upgrading existing ones), the need to find www.turkijphysiotherrehabil.org

new sales markets, expanding and creating new production facilities and technologies.

However, the mechanisms that still exist to ensure the competitiveness of small and medium-sized enterprises do not give sufficient effect and do not use additional mechanisms in assessing the effectiveness of their activities, which is a problem in implementing the concept of managing the market attractiveness and competitiveness of enterprises. To solve this problem, new tools, incentives and management levers are needed to increase the level of competitiveness of small and medium-sized enterprises.

To create new areas for assessing the competitiveness of small and medium-sized businesses, appropriate research is required that would allow a qualitative assessment of the effectiveness of the enterprise and, accordingly, the level of competitiveness. In turn, competitiveness will act as the most important component of evaluating the effectiveness of the enterprise, and from a practical point of view, it will be the incentive to develop new strategic approaches in the organization of production and management.

The main part

In order to ensure the competitiveness of small and medium-sized enterprises and to establish long-term development directions, in our opinion, monitoring (analytical work) is needed, which is based on the analysis of the financial condition of the enterprise and factor analysis as a fairly effective method of researching the activities of the enterprise.

Factor analysis as a system can be presented in the form of a generalized model, which should take into account the actual relationships between the studied indicators and factors:

$$Y = f(X_1, X_2, \dots, X_n), (1)$$

where Y is an indicator, for example, the profitability of the enterprise; X₁, X₂, ..., X_n are factors determining the causes of the real state of any of the processes of the enterprise.

The value of profitability (profitability) is so great in determining the efficiency of an enterprise that determining its value is one of the key problems that factor analysis is used to solve [5, p. 11]. This is due to the fact that with the help of the profitability indicator as a relative value, it is possible to exclude the spatial and temporal disparity of indicators (inflation, scale effect, organizational changes, etc.), as well as to identify and assess the influence of factors (extensive and intensive) on the development of the economic process.

Of all the variety of profitability coefficients, in our opinion, the main one is the return on equity, which practically reflects all aspects of the organization and management of the enterprise. In general, the return on equity reflects the efficiency of the operating activities of the enterprise with the subsequent transition to the assessment of its competitiveness. This coefficient is the most important of all indicators used in business.

Success in the company's activities in the financial aspect, in particular, is assessed by the positive dynamics of return on equity, which ensures the growth of its competitiveness and ultimately increases investment attractiveness. A decrease in the return on equity indicates the possibility of certain serious problems related to the efficiency of the enterprise.

For an in-depth study of the influence of factors whose relationship with return on equity is functional, the most acceptable multifactor model is the multiplicative Dupont model, which is a modified factor analysis technique [2]:

$$RSK = Rpr \times Cob \times MSK, (2)$$

where RSK – return on equity; Rpr - return on sales; Cob - asset turnover ratio; MSK - equity multiplier.

The complex indicator (2) of assessing the success of an enterprise in terms of achieving a strategic goal plays a significant role for investors in determining their objects (projects) for investments. It reflects the business value chain and includes the results of operational, investment and financial decisions, as well as environmental parameters (interest rates, taxes, etc.).

Small and medium-sized enterprises belong to dynamic systems of a high degree of complexity, and therefore simulation modeling is the best tool for describing economic processes, multivariate forecasting and performance analysis. The simulation modeling technique allows obtaining the desired results (analytical or/and predictive) by using multiple "runs" of the model with subsequent justification and selection of the best solution. Repeated application of the model is impossible without a balanced and thorough development of scenarios for the development of an economic process or system.

As practice shows, when choosing a long-term business development strategy, the scenario approach for small and medium-sized enterprises is becoming increasingly popular. Scenario analysis makes it possible to describe in detail the sequence of events that can lead to the desired or planned end result with the enterprise development options included in the study, taking into account the specified guarantee probability.

In current practice, scenarios of forecasts of the economic efficiency of an enterprise are determined by indicators from the report on financial results of activities, and scenarios of the financial order have balance sheet indicators as an information basis.

Let's consider the mechanism of increasing the efficiency of activities (and, in fact, increasing competitiveness) on the example of a limited liability company "Mebel-M" (a small business enterprise, a legal entity), with an authorized capital of 34,000 thousand rubles. (the number of employees 97 people). The company produces and sells furniture parts, produces upholstered furniture, window and door blocks, classroom and laboratory tables, etc. The mechanization of the production of the Mebel-M enterprise is 86%.

Before proceeding to the selection of scenarios for the development of the enterprise and their modeling, it is necessary to assess its financial condition. For this purpose, a number of indicators of liquidity and financial stability are calculated.

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