

MANAGEMENT OF THE ECONOMIC POWER OF BUSINESS ACTIVITIES AND ITS IMPACT ON ITS EFFICIENCY

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Abstract

With the development of small business and entrepreneurship, certain difficulties arise in its activities. They need to effectively use their economic potential. The article discusses the use of economic potential in business, analyzes unused opportunities and develops directions for effective use. The ways of effective use of the economic potential are determined.

Key words: globalization, entrepreneurship, planning, organization, economy, economic potential, managerial activity, efficiency.

Introduction

In the context of the globalization of the economy, which is taking place in the countries of the world, the influence and importance of business activities on a global scale is increasing. In developed countries, a large part of the gross domestic product is created by small businesses and business entities. The share of small business and entrepreneurship in the GDP has exceeded 50 percent in the United States, around 57-58 percent in Germany, and over 60 percent in China[22]. A large part of those employed in them is accounted for by small business and entrepreneurial activity subjects. This indicator is around 60-70 percent in developed countries and has increased even more.

In the Republic of Uzbekistan, great importance is attached to small business and entrepreneurship. Taking into account the importance of small business and entrepreneurial activities, which play an important role in the economy of our country, President Sh. Mirziyoev stated in his Address to the Oliy Majlis of the Republic of Uzbekistan that efforts will be made to actively develop entrepreneurial activities in 2021 and beyond. In particular, "...more favorable conditions for the development of entrepreneurship and small business will be created.

One thing must be admitted openly, entrepreneurs contributed equally with the state for the stable operation of the economy during the pandemic. That's why we all have to stand shoulder to shoulder with entrepreneurs and always support them.

In this regard, it was pointed out that ensuring the rights of businessmen, especially the inviolability of private property, should be the main task of state bodies at all levels»[2]. In order to rapidly develop business activities, concessions and reliefs were given to support it. About 4 times more loans were allocated to business entities compared to 2016, i.e. 100 trillion soums»[2].

In accordance with the programs drawn up for 2022 and the near future, efforts will be made to further develop small business and entrepreneurship in our country. Measures are being taken for the further development of small business and entrepreneurship; efforts are being made to further improve the system of privileges and preferences that encourage the creation of private enterprises and their activities, entrepreneurship and the growth of private ownership in production. At the same time, despite the fact that great economic potential has been created in business activities, this potential is not being used sufficiently. One of the important issues facing the economy at present is the full and effective use of the existing economic potential.

Purpose of the research

People have been doing business in our country since ancient times. Industries such as handicrafts and trades also existed before. However, their theoretical foundations are not sufficiently developed. Theoretical views on entrepreneurship, laws, directions and principles for their development are not sufficiently studied; they are not sufficiently covered in the economic literature. After gaining independence, attention began to be paid to entrepreneurship and its theoretical foundations. Now, entrepreneurship is seen as a factor that gives a great impetus to economic development, at the same time, it is emphasized that it occupies an important place in such things as providing employment to the country's population, filling the market with necessary consumer goods, developing the country's economy, and improving the welfare of the population.

"Entrepreneurship is the process of creating something of value. An entrepreneur is a person who spends his time, knowledge and skills in order to prepare and create this thing. R. Khizrich describes entrepreneurial activity as the process of creating goods and services with a certain value. He spends not only his knowledge and skills, but also economic and financial resources and works tirelessly to achieve results. In his opinion, an entrepreneur tries to increase his potential regularly. In his opinion, an entrepreneur tries to increase his potential regularly. At the same time, it does not pay enough attention to the issues of using the existing economic potential by entrepreneurs.

According to Z.Ya.Khudoyberdiev, among the scientists of our country, entrepreneurship is considered an independent activity, in which the activity is carried out by combining all available resources. Z. Ya. Khudoyberdiev believes that economic independent activity is the basis of entrepreneurship [19]. We know that not only economic activity, but also social and financial activities exist on the basis of entrepreneurial activity. Entrepreneurs' ability to effectively use these opportunities is not sufficiently taken into account.

The encyclopedic dictionary created in our country also defines entrepreneurship: "Entrepreneurship is an independent type of activity that is carried out in one's own name, within the scope of one's own property responsibility or on behalf of a legal entity and on the basis of legal responsibility and liability, with the aim of obtaining profit or personal income. An entrepreneur can carry out all types of economic activities that are not prohibited by law. In particular, they can engage in commerce, mediation, trade, buying and selling, product delivery, agricultural activities, computer service, communication service and other similar activities»[20].

He sees the basis of the activity of entrepreneurs in the transition of the economy from one state of equilibrium to another state of equilibrium. Precisely, in this period of economic development, it is very difficult for entrepreneurs to determine the goals of their activities. Entrepreneurs do not only work on new goods and services, but also work on existing ones. They try to improve existing productions, fill the market with products and services that are in high demand. It is important for the entrepreneur to try to effectively use the existing ones, along with increasing his potential. It defines the basis of the research objective.

Materials and methods of research

Various methods of analysis, methods of economic observation, economic analysis, comparative analysis and other methods were used in the analysis of issues of using the economic potential of small businesses and entrepreneurial enterprises.

Analysis and results

One side of the issue is increasing the production capacity of small businesses and entrepreneurial enterprises in the current globalization environment, and the other side is the effective use of the existing potential. Effective use of existing economic resources is the most important issue on the agenda today. The solution of this problem is the main factor towards the solution of the main problem of the economy. The effective use of existing economic resources, the struggle for economy and savings are not temporary things, but a long-term program. This issue should be reflected in the strategic plan of every organization. Solving the issues of using economic resources and existing potential is one of the urgent issues of small business and entrepreneurial activities.

In order to further develop small business and entrepreneurial activities, it is necessary to improve the use of their resources and potential. For this, the factors of effective use of resources and potential in them must be comprehensively studied, analyzed, and connected with each other. Before starting to study the factors of effective use of resources and potential and their impact, it is necessary to clarify the concepts of economic potential and effective use of economic potential.

Many scientists have conducted research on the concept of economic potential and its essence. They linked the economic potential to the amount of products being produced. Economists, including Sidorov A.P. and Teklov G.V., in their research, they express the opinion that "The economic potential of production is the production of the specified volume and type of products at the highest level (possible level)"[7] and they confuse the concepts of production capacity with the concepts of production capacity. Economic potential is determined by the available opportunity.

A group of most scientists associate the economic potential with the dynamics of the main production funds. For example, Khairullaev O.I. states: "The dynamics of the main production funds determines the description of its economic potential. An increase in the price of the underlying fund, especially the price of its active part, can lead to large qualitative changes. Development of resources in the underground and surface layer of our country, processing of their raw materials depends materially on the weight of the main funds and the level of their use. "The improvement of these indicators will positively affect not only the industries in question, but also the growth of the entire economy," he says. Economic potential is determined not only by the main production funds, but the concept of economic potential is determined by all economic resources in production, that is, circulating tools, labor resources and even available information resources are closely related to the concept of economic potential.

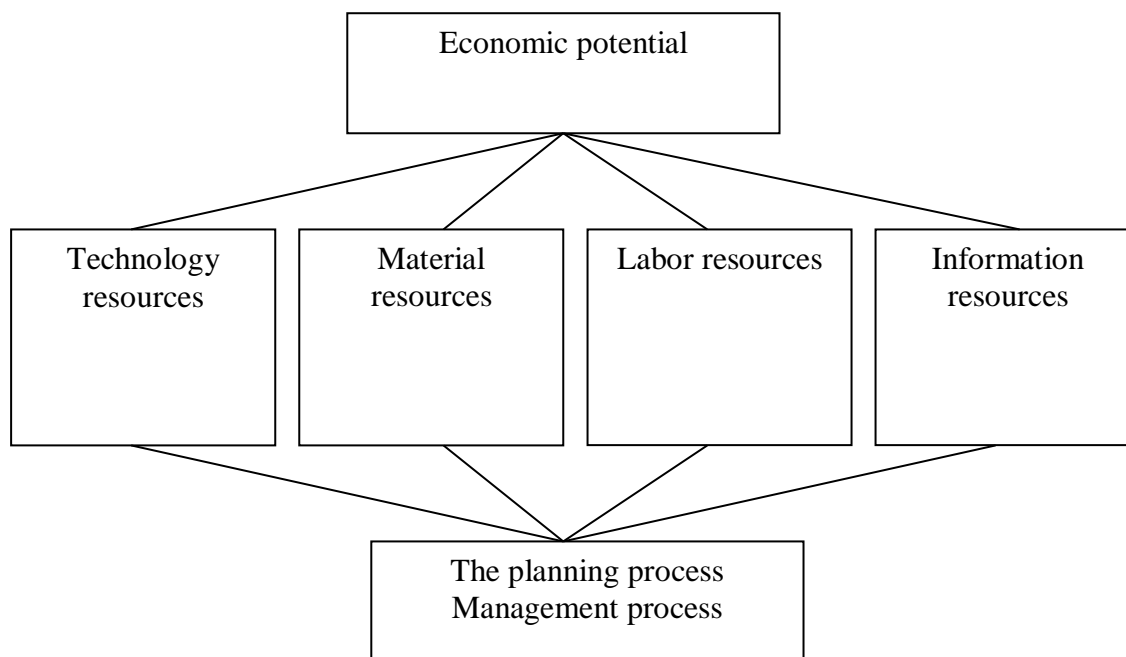
Z.P. Rumyantseva, N.A., Salomatin and R.Z. Akberdin connect the economic potential of production with the volume of production of products specified in the company's production program in their research. "The economic potential of production enterprises, joint-stock societies and workshops is realized through the implementation of their production program. In their production program, the names, quantities, production periods and production values of the products to be produced are expressed»[10] The main drawback of their ideas is that the concept of economic potential is determined not only by the volume of products to be produced, but it is very broad concept.

Material production consists of its important elements - labor tools, labor products, and unity and mutual relations of labor. The production capacity depends on two important factors in each organization, that is, the availability of the main elements of production and its development, as well as the level of use of these elements in the production process. The development and effective use of these two factors determines the activity and level of development of business enterprises. If we assume that the development of business enterprises depends on significant quality changes in them, improvement by increasing efficiency, the above situation becomes natural and legal. So, economic potential is a complex concept, which includes labor tools, labor products and labor and implies their effective use in a complex manner. Economic potential can be expressed in the form of figure 1. If we take into account the inclusion of technology factors, material, labor factors and information resources, it is possible to achieve the development of business activities by organizing work on the effective use of each of these four factors.

A.M. Rumyantsev, E.G. Yakovenko and S.I. Yanaev define the economic potential in their research and

illuminate the concept of its use. They define that "the use of economic potential is the ability of national economic sectors, enterprises and organizations to produce products or provide services".[11] They state that economic potential is the volume of product production or the amount of service provision in a certain period, and they believe that in order to effectively use this economic potential, it is necessary to increase the volume of product production or service provision. They do not take into account the effect of the effective use of economic potential on the quality of products or services. They do not comment on the effect of the level of development of the enterprise, the introduction of scientific and technical achievements in them, on the effective use of its economic potential.

Figure 1. Factors of effective use of economic potential



Some economists confuse the effective use of economic potential with the use of production capacity. Since production capacity is the highest level of annual product production, these scientists do not take into account the main factors and elements. Effective use of economic potential is tied only to the size of the product.

Economic potential and its effective use should be considered comprehensively. This concept is comprehensive and implies the appropriate use of each unit of the resources entering the enterprise, placing them in their place, increasing the amount of products obtained from each unit of resources, and producing quality products. At the same time, the use of every resource in the production enterprise should ensure the achievement of the strategic goal of the business enterprise and ensure that it gets more profit due to increasing its market share. The effective use of the economic potential of entrepreneurial production should lead to the placement of the main means in them, timely and high-quality repairs, organization of labor on a scientific basis, establishment of division of labor and cooperation, creation of a correct and reasonable order of the workplace, improvement of work methods, organization of defect-free work. Effective use of the economic potential improves the production and economic activity of the business enterprise and serves to improve it.

In the conditions of economic globalization, the effective use of economic potential is of great importance, because only in this way, the main problem of the economy is the efficient use of the economic resources of the production, and the comprehensive satisfaction of the growing needs of the people is ensured.

Conclusion and suggestions

Adapting the raw materials and materials used in business enterprises to the working technology is also considered an important step towards the effective use of economic power.

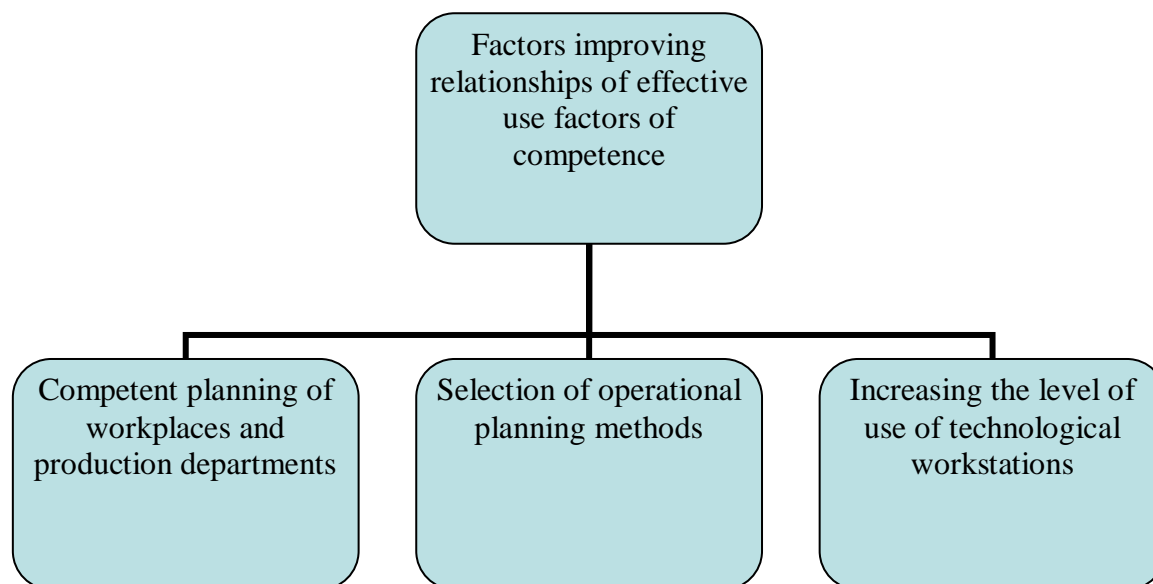
Appropriate use of these factors makes it possible to improve the organizational technological structure of production. At the same time, it ensures the technological characteristics and maturity of the products. This, in turn, largely depends on:

1. Simplifying the level of complexity of the product produced in business activities.
2. Use of relatively cheap materials in the activity.
3. Creation of cost-effective and high-performance workbenches and devices;
4. Alignment and coordination of all types of products. Making it possible to produce a second type of product without adjustments on a machine that produces the same type of products.
5. To achieve comprehensive improvement of the quality of manufactured products.

All factors leading to effective use of production potential in business enterprises are closely related to each other. Improving their interaction with each other is expressed by implementing specific organizational and technical measures. Among these activities, the following can be included (Figure 2):

- competent planning of workplaces and production departments in business production;
- selection of operational planning methods;
- to study the level of use of technological workstations.

Figure 2. Factors of improving the interaction of the factors of effective use of potential in business enterprises



Production continuity is also of great importance in ensuring the effective use of potential in business enterprises and includes the following:

1. Planning continuity.
2. Production process continuity.
3. Continuity of material equipment supply.

4. Continuity of control.
5. Continuity of analysis of production situation.
6. Continuous employment of employees and workstations.

Continuity of the planning process in business enterprises is ensured by the implementation of the specified tasks in the current plan of the enterprise, as well as by including the next tasks. Only when this is done, it is possible to analyze the preparation of production in time, it is possible to produce the product within the specified time.

In order to effectively use the potential in business enterprises, an important requirement for the technological process in them is to make economical use of available material resources, including raw materials, and to reduce waste. Important plans for reducing the cost of products produced in business enterprises are the effective use of raw materials used in the activity and achieving a reduction in costs. In food, textile and light industrial production enterprises, the effect obtained by reducing raw material costs by one unit can be obtained by reducing processing costs by four units, or by reducing fuel costs by one hundred units, and by reducing labor costs by ten units. . As can be seen from these figures, it is necessary to pay special attention to the use of raw materials in the organization of business enterprises.

Entrepreneurs will be successful if they follow the following principles during the implementation of the activities of the business enterprise and the effective use of the existing potential:

1. The principle of continuity. Ensuring business continuity. Ensuring that raw materials are in continuous motion until they are finished products.
2. The principle of coordination. All elements of the production process should be compatible with each other, their transfer capabilities should be equalized and coordinated.
3. The principle of specialization. The rule that each employee and department in a business enterprise should specialize in performing certain tasks and quickly adapt to perform other tasks. Globalization and the intensification of competition force the manufacturer to frequently change the type of product it produces and adapt to the demand.
4. The principle of consistency. Ensuring that all actions in business activities are carried out smoothly.
5. Discipline. Strict adherence to labor, production and technological discipline.

These principles are refined as the small business grows. Effective use of these will enable effective use of existing capacity.

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