

INNOVATIVE METHODS IN IMPROVING THE COMPETITIVENESS OF SMALL BUSINESS AND ENTREPRENEURSHIP IN THE REPUBLIC OF UZBEKISTAN

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Abstract

This article defines the essence of entrepreneurial activity associated with innovative activity. To date, the need for theoretically justified and practical proposals to increase the innovative activity of small businesses and entrepreneurship, to develop and improve the mechanism of innovation, the effective use of innovation is increasing and contributes to increasing competitiveness and entering new markets.

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INTRODUCTION

At the present stage of socio-economic development, characteristic of the 6th technological mode, in the conditions of the digital economy and the rapid pace of transition to an innovative type of development, innovations and the efficiency of their use become the determining factor for success and competitiveness. In all countries of the world, in the difficult conditions of the pandemic, in order to implement and further develop economic growth, special attention began to be paid to the development of small businesses and entrepreneurship. Thus, small business and entrepreneurship is the main subject on which the restoration and further growth of the economy depends. The development of small business and entrepreneurship is closely related to their innovative activities.

LITERATURE ANALYSIS AND METHODS

To date, the term innovation does not have a single definition and scientists consider it from different points of view. Innovations are considered as a process, a system, changes. In addition, researchers consider various objects and subjects of research as the basis for the definition of the term "innovation".

In our country, such leading economists as B.A.Akramov¹, U.V.Gafurov², S.S.Gulomov, Sh.N.Zaynutdinov, A.A.Radjabov, U.A.Saidakhmedov, U.A.Nazarova, G.P.Umrzokov,

¹ Акрамов Б.А. ва бошқалар. Определение основных факторов формирования и развития фермерских хозяйств. Кишлоқда фермер хўжалиқларини юзага келиши ва ривожланишининг асосий тамойилларини белгилаш: учебное пособие. – Т., 2007. – с. 23.;

² Гафуров У.В. Дехкон (фермер) хўжалиқларининг иқтисодий табиати ва ривожланиш хусусиятлари. Диссертация на соискание ученой степени кандидата экономических наук. – Т., 1995, 41-б.;

T.Kh.Farmonov, M.Sharifkhuzhaev, Y.Abdullaev, T.Sh.Shodiev³ and others, directing their research into the field of innovation in small business and entrepreneurship.

Summing up, we consider it appropriate to give the following definition of the term "innovation": Innovation is a novation that leads to an increase in the efficiency of the economy, its industries and sectors, implemented taking into account the priority goals and objectives of the Country Development Strategy. The creation of an innovation that brings and ensures an increase in efficiency, in contrast to the existing one in practice, is innovation.

RESULTS AND DISCUSSION

Entrepreneurs in the implementation of innovative activities should take into account their capabilities and limitations. To create and implement a new complex system or a new product, the cooperation of many industries is necessary. For such coordination to take place, centralized support from the state is necessary.

Table 1 The main economic indicators of textile enterprises related to innovation

№	Enterprises	LLC «BARKAS-TEKS»	LLC «GABON TEXTILE»	LLC «IFTIHOR KIYIM SANOAT»	LLC «MEGA TEKSTIL»
	Indicators				
1	Net profit, thousand soums	27918498	3804912	11117862	46526
2	Cost of fixed assets, thousand soums	43127536	22579006	14500170	8267365
3	Newly added funds during the year, thousand soums	17858060	7303952	8460933	9407809
4	The cost of machinery, equipment, vehicles, industrial and household equipment (excluding the cost of installing equipment), thousand soums	17858060	7284407	2046093	9407809
5	Of these, imported machinery and equipment, thousand soums	17858060	7284407	2046093	9407809
6	Expansion, reconstruction, modernization and technical re-equipment, thousand soums	17858060	7284407	2046093	9407809
7	Bank loans, thousand soums			204609330	68938643
8	Foreign loans, thousand soums	17858060	7284407	-	2513945
9	Cost of products, thousand soums	73212499	51257721	137,1	1067

All these newly attracted fixed assets were used to purchase machinery, equipment, vehicles, production and household equipment. As a result of the use of the acquired fixed assets, an increase in labor productivity was achieved. During 2020, BARKAS-TEKS LLC imported almost 2 times more machinery and equipment than other enterprises, this activity was mainly aimed at expanding, reconstructing, modernizing and technically re-equipping the enterprise. These figures and data show how the implementation of innovative activities affects the efficiency of the enterprise.

According to this method, each enterprise is considered as a point in n -dimensional Euclidean space. The point coordinates are the indicators by which the comparison is carried out. In this case, the indicators used are considered as independent. If different evaluation indicators are incommensurable, they are normalized by dividing the value of the indicator under consideration by the value of similar

³ Фуломов С.С. ва бошқалар. Тадбиркорлик ва кичик бизнес. – Т.: «Меҳнат», 2002. – Б. 337.; Зайнутдинов Ш.Н. ва бошқалар. Менежмент асослари. – Т.: «Молия», 2002. – Б. 8.; Раджапов А.А. Бозор иқтисодиётига ўтиш шароитида фермер хўжалиқларининг фаолиятининг самарадорлиги (Қорақалпоғистон Республикаси мисолида). И.ф.н. илмий даражасини олиш учун дисс., Т., 2000, 75-б.

indicators of the reference object. If the growth of the value of the estimated indicator is preferable (reflects the growth of efficiency), then normalization is carried out according to the formula:

$$X_j = \frac{Z_j}{\max Z_j}$$

where

X_j is the normalized value of the j -th indicator;

Z_j is the value of the j -th analyzed indicator;

$\max Z_j$ is the maximum value of the j -th indicator for the reference object.

An integral assessment indicator based on the distance method, which characterizes the final result - the growth potential (GP), calculated by the formula:

$$GP = \sqrt{\sum_{j=1}^m (1 - x)^2}$$

where:

GP - coefficient characterizing growth;

X_j is the normalized value of the indicator used to assess the growth potential;

$j = 1$ is the normalized value of the indicator for the reference object;

m is the number of indicators used in the evaluation.

A GP value greater than 1 indicates the presence of growth potential. The higher the GP value, the higher the potential.

The cost method for assessing innovation activity was applied to all 4 small enterprises in the processing industry of Namangan region, which showed the following result:

Table 2 Results of the integral indicator of growth potential (GR) using the distance method

№	Enterprise	Integral indicator of growth potential (GP) using the distance method	Result
1	LLC «BARKAS-TEKS»	0,5	Bad
2	LLC «GABON TEXTILE»	1,8	Good
3	LLC «IFTIHOR KIYIM SANOAT»	3,48	Excellent
4	LLC «MEGA TEKSTIL»	1,2	Medium

As can be seen from the summary table 2, three enterprises have the potential for innovative development, under the competent and efficient management of which it is possible to achieve good results in increasing competitiveness through the implementation of innovative activities. Using the integral indicator, it is proposed to evaluate the innovative potential of small businesses and private entrepreneurship operating in the textile industry as "excellent" (2.1-2.5), "good" (1.51-2.0), "medium" (0.51-1.5) and "bad" (0-0.5);

Let's imagine that the number of factors influencing the effective use of innovations in order to increase the competitiveness of manufactured products is numerous. By defining these factors in the unknown case $x = 1, 2, 3 \dots n$, we can express them as follows:

- financial resources - x1;
- material and technical support - x2;
- intellectual potential - x3.

An analysis of the activities of small businesses and entrepreneurship, as well as their products, revealed a number of factors that adversely affect their implementation of innovative activities, the development of an innovative development strategy, the development and implementation of "smart" technologies and innovations.

CONCLUSION

To improve the efficiency of innovation activities of small businesses and entrepreneurship, it is necessary to improve the mechanism for organizing and managing innovation activities. The main goal of the organization and management of innovative activities is to increase the efficiency from the introduction of innovations, and thereby ensure competitiveness. To do this, you need to choose an effective strategy. The choice of strategy is made in several stages.

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