

## THREE-DIMENSIONAL SYSTEM FOR ASSESSING THE EFFECTIVENESS AND ALIGNMENT OF BUSINESS PRIORITIES

**Imodinov Hamidillo Soyibjonovich,**

senior lecturer, "Accounting, analysis and audit" department,  
Andijan institute of agriculture and agrotechnologies

**Abstract:** *The article discusses the issues of methodology for developing a strategy for improving the efficiency of business structures in the context of transformation of the market environment, their factors, analyzes the main modern concepts of developing a strategy for increasing the efficiency of business structures, in accordance with which directions are identified in which the state can actively influence the process of supporting healthy competition in the economy. Considerable attention is paid in the article to the issue of the effectiveness of the activity of entrepreneurial structures.*

**Keywords:** *entrepreneurship, business, quality, efficiency, strategy, model, type of production, technology and management methods.*

In the "Strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017-2021", approved by the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. UP-4947, special attention is paid to the development of a strategy for increasing the efficiency of business structures in the context of transformation of the market environment [1].

The problem of increasing production efficiency becomes more and more obvious with the objective processes of globalization of economic relations, when the competitive environment becomes international. The established practice of international trade, formally regulated by agreements within the framework of the World Trade Organization (WTO), the desire to expand markets and areas of presence have made it possible to significantly expand the opportunities for buyers to choose goods and services produced by entrepreneurial structures [2].

Currently, there is a need for the development and implementation of a new system of management technologies, which would improve the efficiency of the functioning of business structures and increase the value of the business. The possibilities of accelerating the process of improving and increasing the efficiency of business depend on the state of the forms and methods of organizing the processes of production of goods and services, as well as the technical and technological conditions for doing business. In this regard, the most important task of the heads of business structures is to determine the strategic direction of their business development, which makes it possible to foresee the need to equip each company with productive equipment and use the latest technological processes.

In the near future, the priority task of the top management of the company will be business development based on the intensification of innovation and the deepening of scientific research in a special unit created for this, where qualified scientific personnel and specialists work [3].

Thus, in conditions of intensifying competition in the domestic and foreign markets, there is an objective need to manage the process of increasing the efficiency of the business structure. In other words, efficiency becomes an object of management, and the problem of its improvement as a criterion for the activity of entrepreneurial structures acquires particular relevance at the present stage.

The selection within the framework of the entrepreneurial structure of the technological process, during which the scientific and technical development of the production of goods and services is directly carried out, creates the preconditions for determining the objective patterns and links of the scientific and technological development of business and the growth of its efficiency. However, the analysis of the identified ways of rationalistic and heuristic development of the processes of production of goods and services by entrepreneurial structures showed such a level of their qualitative development that it can be

concluded that there are no generalizing patterns in the development of an efficiency growth strategy both at the level of an individual company and for the business system as a whole. As interest in strategic management issues grew, an understanding was formed that the theory and methodology for assessing economic efficiency is not only very far from the completion of its formation, but also requires in a number of cases a critical analysis of its classical concepts.

### **MAIN PART**

Considering entrepreneurial structures as special economic units, which are based on the creation of additional value, one can draw a conclusion about their economic and social significance. Additional value is created by developing new technologies, markets, creating new products, searching for new business models, etc. To the extent that business structures use their potential effectively, they contribute to the economic development of the country. Accordingly, both the entrepreneurial structures themselves and the economic community as a whole are interested in increasing the efficiency of entrepreneurial activity.

As it was especially noted by the Decree of the President of the Republic of Uzbekistan dated March 7, 2019 No. UP-5687 "On systematization of measures to improve the position of the Republic of Uzbekistan in international ratings and indices" in the part "Global monitoring of entrepreneurship", the following factors are highlighted that potentially hinder the development of entrepreneurial structures, such as: lack of novelty of a product or service, lack of application of new technologies, focus only on the domestic market of the country, etc [3].

Accordingly, the performance assessment for business structures is an extremely important tool for identifying strengths and weaknesses. Moreover, such an assessment should be comprehensive, since the result is influenced by a large number of factors.

According to Yu.A.Burtseva, "from the standpoint of society as a whole, the rate of growth of jobs, production of goods, innovation activity, etc. depends on the efficiency of entrepreneurial activity. Successful and fast-growing business structures contribute to the country's economic growth. Therefore, the issues of increasing the efficiency of entrepreneurial activity are so relevant today and are discussed at the state level. Nevertheless, statistics show that it has not been possible to achieve effective entrepreneurial activity so far. One of the indicators to confirm this statement can be used the indicator of job growth" [4].

According to R.L.Vlasova, "Most entrepreneurs at various stages of the life cycle claimed in 2018 that they do not plan to increase jobs in the next 5 years, which means that their further development and expansion is questioned by them. Therefore, there is reason to question their effectiveness" [5].

As V.D.Galkin "at the moment there are many recommendations to improve the efficiency of activities, however, there is no single approach to assessing the effectiveness of business structures. Traditional approaches to assessing the efficiency of enterprises, which are based only on the methods of financial analysis, have long been recognized as insufficient. In 1992, Robert Kaplan and David Norton set themselves the goal of solving the problem of the limitations of this approach by proposing a new tool - the Balanced Scorecard (BSC or Balanced Scorecard), which made it possible to combine both financial and non-financial factors. The transition to an integrated approach is due to the essence of entrepreneurial activity, which by its nature is multifaceted both in its internal structure and in relations with the outside world" [6].

According to S.Zh.Dobrynina, "at this stage of development (before scaling), one of the most important factors is the development of a business model, and the weight of this factor should be significantly higher than at subsequent stages. Of course, this is just one aspect. There are many more such aspects in the company's activities at each stage of the life cycle.

Of course, there are other concepts for assessing efficiency. For example, the EFQM model. The EFQM model was developed as a model for analyzing the activities of companies and for finding opportunities for its improvement with a bias towards assessing the management system. The main

advantage of the EFQM methodology is that the output is an integral indicator, which includes both an assessment of the capabilities and results of the company's activities. However, it also has a number of disadvantages in terms of its applicability for assessing the effectiveness of entrepreneurial structures, which are similar to those listed for the BSC (Balanced Scorecard) model" [7].

In general, it is important to note that the existing concepts do not fully meet the goals of assessing the effectiveness of entrepreneurial activity. Therefore, the development of a methodology is required that would satisfy these goals.

The study of the influence of the forms of organization of production on the efficiency of business entities and the development of a system of economic assessment of the effectiveness of business entities are currently of vital importance.

Management is characterized by clearly defined functions of managers and, as a rule, by a pronounced hierarchical pyramid. However, in relation to entrepreneurial structures operating in the production sector, such an organization is devoid of flexibility and responsiveness to changes in demand due to conservative technologies. A high degree of certainty takes place only in conditions of stable demand, which is possible either with the release of inelastic goods, or in the absence of pronounced competition. Entrepreneurial structures carrying out serial production are characterized by a lesser degree of certainty, but due to the characteristics of the organization, they are capable of solving a larger number of organizational and technical issues. The presence of a coordinating mechanism that harmonizes activities between departments increases the efficiency of activities of such entrepreneurial structures (Table 1).

Our analysis shows that cost cutting in terms of production costs leads to a decrease in productivity and profitability of the business structure; the presence of reserves exceeding the value necessary for the smooth functioning of production indicates the irrationality of the management of the production process.

**Table 1**

**Features of management of entrepreneurial structures depending on the type of production\***

Characteristic	Production type		
	Massive	Serial	Single
Production feature	Production of standard consumer goods	Serial production	Individual production of complex types of products
Duration of technology functioning	Long lasting	Long lasting	Short
Changes in technological conversions	Minor	Periodically changing production process-	Constantly changing production process
Control	A well-defined hierarchical management pyramid with clearly defined functions of managers	An increasing number of technical and organizational issues	Perfect coordination mechanism of the organizational structure of management, unclear definition of the functions of managers
Degree of certainty	High	Average	Low

\* *Compiled by the author based on [11].*

An important element of quality and efficiency management of business entities at the micro level is to reduce the share of costs associated with unsatisfactory product quality. In this case, the category "quality" can be considered both from the standpoint of strict adherence to the specification or technical conditions for the product, and from the standpoint of the manufacturer's ability to meet the specific needs of the consumer.

Both positions are achieved through the rational design of workplaces and the placement of

production equipment.

In the conditions of modern production, the main source of efficiency growth is saving the costs of past labor, material and energy resources. In this regard, the cellular form of production organization turns out to be more effective, which optimizes the material flow in production and contributes to the reduction of equipment changeover times and is a prerequisite for attracting workers to management: this form simplifies control and creates opportunities for personnel to participate in solving company problems, optimizes planning and logistics, which also has a positive effect on business efficiency. As part of improving production efficiency, suppliers and subcontractors are viewed by companies as an extension of their manufacturing divisions as the commercial and manufacturing operations of suppliers and subcontractors begin to integrate with core manufacturing processes, thereby reducing the amount of immobilized assets.

To create a unified highly efficient production management system, it is necessary to highlight the errors of management techniques.

Among the many problems of technologies and management methods used in modern production practice, we single out the following:

- 1) the complexity of management technologies, which requires a level of knowledge and practical skills, the absence of which leads to ineffective company management and a large number of costly mistakes;
- 2) excessive amount of routine work performed by managers and employees working in key positions;
- 3) lack of uniformity of management technologies in the company due to incompatibility of parameters and poor integration of departments into the production process;
- 4) the lack of a unified conceptual apparatus of the company's managers;
- 5) the rapid change in production technologies, their rapid obsolescence and the need, in this regard, for renewal, which involves setting the task of developing an adequate investment policy;
- 6) globalization of management technologies, partial loss of uniqueness, acquisition of international quality control standards for production and accounting for financing.

In our opinion, a business entity can be effective if its management system takes into account and ensures:

- a) the optimal combination of centralized and decentralized initiative;
- b) the unity of goals and actions of the entire enterprise and its individual links;
- c) a motivation system that creates the interest of all performers in increasing the competitiveness of the enterprise;
- d) the use of modern technological and technical management bases, allowing with minimal resources in real time to solve the issues of ensuring the competitiveness of the enterprise.

We propose a methodological approach to improving the efficiency of business entities, the essence of which boils down to determining the level and calculating the integral indicator of the competitiveness of an entrepreneurial structure at the first stage and choosing a strategy to improve efficiency according to the specified criteria at the second stage.

An effective management system for a business entity is a combination of economic, motivational and organizational methods of purposeful interaction of all divisions and the impact on their activities, ensuring the coordination of the interests of each of the divisions and the entire enterprise as a whole.

The subject of performance assessment in traditional models for assessing organizational efficiency is the processes of distribution and use of resources (labor productivity, capital productivity, material efficiency, the depth of processing of raw materials, coefficients of extensive, intensive and integral use of equipment, energy efficiency, etc.), as well results of production and business operations (profitability, turnover, profit, depreciation, growth rates of sales, etc.).

Thus, the assessment in this case is aimed at determining the relative or absolute effect of the activity of the business entity in the space-time aspect. It widely uses both private (turnover, equipment

utilization, etc.) and generalizing (profit) indicators.

An important difference between the strategic performance assessment system and the organizational performance assessment system, as a system of a lower order, is the focus directly on assessing the results of the company's achievement of development goals and mission implementation [8].

The disadvantage of classical strategies for evaluating strategies (for example, matrices of positional and portfolio analysis) is the separation of the chosen strategies from operational management, while the main task of management, in our opinion, is not only the development of a strategy, but also its implementation. To do this, it is necessary to link the strategic goals of the company with the operational goals of the divisions and key employees of the company, as well as to ensure the link between the motivation (compensation) system and the results of the company. In response to these requirements, in the last decade, a separate area for assessing the effectiveness of a strategy (performance management system) has been dynamically developing in strategic management, which includes a set of concepts from the creation of balanced indicator systems and key performance indicators to personnel development and motivation systems. Balanced Scorecards are the very strategy adaptation mechanism that can significantly increase the likelihood of success [12].

The problem of assessing the economic efficiency of a development strategy is largely of an applied nature. Any strategic choice involves comparing several alternatives with each other. Generation of alternatives is an integral part of the organization's development process. An important understanding of the essence of strategic production alternatives is their representation in the form of "nesting structures", when each of them specifies a certain development option and, in turn, can be subdivided into corresponding sub-alternatives. All possible alternatives for the development of an entrepreneurial structure can be subdivided into three corresponding types [8]:

1. Alternatives to gradual improvement, which are, to varying degrees, adjustments to existing strategies.
2. Renewal alternatives based on the organization's current strategy and suggesting a significant change in direction: major changes in the scope, appearance and objectives of the strategy.
3. Innovative alternatives leading to radical changes in the organization's strategy, because are based on new approaches to the competition, often accompanied by proposals for new products and solutions.

We define the process of economic evaluation of the effectiveness of the production development strategy through the structuring of the chosen direction of development, i.e. breaking it down into meaningful components, to which evaluation techniques can be applied. Each component can represent a strategic direction of activity, thus forming an element of strategic space. The most promising solution to the problem of structuring the strategic space of business, from our point of view, is the projection of the estimated development strategy onto the space of basic (reference) strategies for the development of an entrepreneurial structure.

The proposed approach to selecting and evaluating a strategic alternative has the following advantages, in particular, it allows [13]:

- a) cover all possible basic strategies for the development of the enterprise;
- b) broaden views on the ways of the organization's development, providing an exit from the cycle of seeking alternatives to continuous improvement;
- c) use an approach both for organizations as a whole, regardless of their industry affiliation, and for their individual business units.

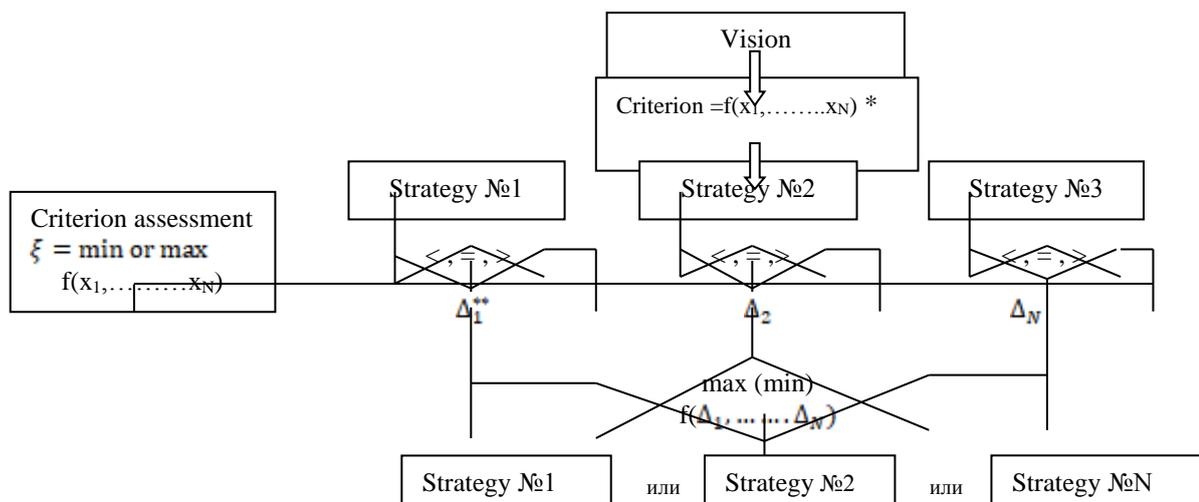
Based on the study, we propose the following interpretation of the strategic space for business development: the type of strategy by which the latter differ from each other (for example, in the nature and type of competition) and the target orientation of the strategy. The key vector for the development of the entrepreneurial structure is increasing the value of the business.

The value vector, in turn, can be represented as a result of the addition of the vectors of growth and development of competitive advantages), which allows the organization to make progress (growth) and through what competitive advantages it plans to achieve it.

The main concept of the system of economic evaluation of efficiency is a criterion, which is a set of qualitative or quantitative comparison indicators, with the help of which the strategy is evaluated. The process of justifying a strategy using an economic assessment criterion can be represented in the form of an algorithm presented in Fig. 1.

As L. Faye and R. Randall correctly point out, "each alternative is characterized by a set of values of the programmed indicators. In this regard, the assessment criterion should be formed from a set of values of significant indicators and is designed to reflect both the preferences of the decision maker in relation to possible alternatives, and the quality of management decisions" [9].

The structure of a separate group of criteria includes the degree of flexibility, adaptation to ongoing changes, the ability to use the external environment, readiness for organizational changes, the effectiveness of the applied control mechanisms in comparison with its scale of the organization.



Notes: \* -  $X_1, \dots, X_2$  - variables forming the criterion; \*\* -  $\Delta_1, \dots, \Delta_N$  - results of evaluating alternative options using the selected criterion. Developed by the author.

**Fig. 1. The proposed algorithm for the economic assessment of the development strategy of a business entity.**

According to R.D. Zaitseva, "an important characteristic of competitiveness is the financial result of a business entity, which, from the standpoint of analyzing competitive advantages, is determined by the following indicators:

1. Resource - the competitive advantages of organizations that increase the consumer effect associated with the price characteristics of the purchased products, and emerging for the reasons:

- a) favorable tax and bureaucratic regimes of the country where the capital is placed (allows you to save on tax payments and transaction costs);
- b) advantageous location (reduction of transport costs and logistics);
- c) favorable conditions for access to natural resources and real estate;
- d) low interest rates (low cost of borrowed funds);
- e) cheapness of factors of production.

2. Technological competitive advantages of manufacturers (mass production technologies, economies of scale, increasing the consumer effect associated with the price characteristics of the purchased products).

3. Innovative competitive advantages of manufacturers are formed through the implementation of R&D results in production (provides an accelerated update of the nomenclature and range of products, increases the consumer effect associated with the quality parameters of purchased products).

4. Global competitive advantages associated with the formation of non-economic standards (environmental, social).

5. Cultural competitive advantages of producers due to cultural proximity or differences between countries" [10].

An increase in the competitiveness of entrepreneurial structures is possible only with the coordination and reciprocity of actions at the micro and macro levels, the directions of which, in our opinion, may be as follows:

1. The Republic of Uzbekistan needs to make full use of the potential to support the resource advantages of producers, including tariff and non-tariff regulation and direct subsidizing of industries that play the role of a locomotive of the economy.

2. Macroeconomic policy of the Republic of Uzbekistan is in dire need of expanding the use of tools for indirect support of entrepreneurs, in particular tax and credit, which are widely used in the world [12]. While effective in terms of sectoral outcomes, these methods are less burdensome for public finances, thereby reducing the likelihood and impact of procyclicality.

3. The solution to the issue of the sectoral structure of economic growth, the form of orientation of the economic structure and the place of the Republic of Uzbekistan in the international division of labor, which is fundamental for the modern economy of the Republic of Uzbekistan, is associated with a change in the raw material structure of GDP and exports that has formed in recent years. In this regard, increasing the degree of processing of raw materials is a task that is urgent for the Republic of Uzbekistan to the maximum extent [13].

4. The use of world experience in the field of increasing innovative activity in the economy and stimulating the building up of innovative competitive advantages of entrepreneurial structures in the real sector of the economy serves as a guarantee of success in solving the problem of increasing competitiveness. Considering the presence of significant scientific and technical backlogs, on the one hand, as well as the lag of the Republic of Uzbekistan in the field of stimulating scientific and technological cooperation of various subjects and sectors of the economy and as mechanisms for technology transfer, on the other, this direction of increasing the competitiveness of farms, in our opinion, is quite reasonably [14].

The recovery or enhancement of the technological advantages of Russian enterprises took place in intensive forms, but at the same time there remain long-term threats to the restoration of technological competitiveness, which are due to the serious lag of most enterprises of the Republic of Uzbekistan from foreign competitors in terms of labor productivity and capital (capital productivity). The latter, even with a significantly lower cost of labor, does not allow maintaining low prices in the medium and long term due to growing operating costs and irreplaceable capital outflow under conditions of a lack of investment [15].

#### **CONCLUSIONS:**

1. Assessing the dynamics of the efficiency of entrepreneurship in the Republic of Uzbekistan, it can be noted that in the last 5 years there has been an improvement in the activity of entrepreneurial structures in the real sector of the economy, the balanced financial result of the activities of large and medium-sized enterprises is growing, but the main resource for GDP growth is the sale of raw materials. To ensure the intensive development of the economy, it is necessary to purposefully support the state of new technologies, high-tech industries, and invest in the growth points of the region.

2. As the results of the analysis have shown, in the last 2-3 years there has been a significant change in the conditions of enterprise activity, the characteristic features of which are instability, trends towards regionalization and globalization of activities, a change in the priorities of economic activity for

more promising results, the introduction of strategic management. This required improving approaches to assessing the effectiveness of entrepreneurial activity, taking into account the new economic realities.

3. Theoretical studies have established that the economic efficiency of an entrepreneur's work is assessed by a variety of criteria, as a result of the systematization of which the following groups were identified: economic, market, financial and competitiveness indicators, and the dominant role in modern conditions should be played by the indicators of the latter group.

4. A comprehensive assessment of the effectiveness of entrepreneurial activity should not lose its multicriteria, therefore, the use of widespread methods of averaging particular indicators (arithmetic mean, simple and weighted, score, etc.) to obtain an integral criterion does not fully comply with modern principles.

5. A three-dimensional system for assessing the effectiveness and coordination of business priorities is proposed, which is determined by the main goal of an economic entity - the achievement of long-term (strategic) stability of the enterprise, represented by three groups of indicators: competitiveness, profitability and financial stability.

6. Taking into account a certain strategic focus of the activities of modern Russian business structures, a model of the formation and analysis of profit is proposed, in which costs depend on the stage of the product life cycle, and which allows us to timely identify signs of a crisis situation of an enterprise due to the aging of products.

7. The set of principles for assessing the economic efficiency of an entrepreneurial structure as an independent economic entity, the functioning of which is significantly influenced not only by the internal, but also by the external environment, has been supplemented by highlighting the principle of the strategic orientation of efficiency assessment models and taking into account changes in the competitiveness of an enterprise.

8. As a result of the application of the proposed model of profit analysis, the economic advantages of enterprises diversified by the stages of the product life cycle, which have a more stable financial position, have been proved, compared to organizations that periodically invest similar funds in the renewal of production when a product aging crisis manifests itself.

#### **List of used literature:**

1. Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. UP-4947 "Strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017-2021".
2. Decree of the President of the Republic of Uzbekistan dated January 8, 2019 No. UP-5614 "On additional measures to ensure the further development of the economy and increase the efficiency of economic policy".
3. Decree of the President of the Republic of Uzbekistan dated March 7, 2019 No. UP-5687 "On the systematization of measures to improve the position of the Republic of Uzbekistan in international ratings and indices."
4. Burtsev Yu.A. Increasing the efficiency of business structures as a strategic task of the economy. - M.: MGOU, 2018.-356s.
5. Vlasova R.L. Strategy for increasing the efficiency of entrepreneurial structures in the sphere of production. - M.: MGOU.: 2019.-346 p.
6. Galkin V.D. Methodological foundations for developing a strategy to improve the efficiency of business structures. - M.: Publishing house of the Institute of Economics of the Russian Academy of Sciences, 2018. -- 268p.
7. Imodinov X.S. The economic substance of risk in entrepreneurial activity. EPRA International Journal of RESEARCH & DEVELOPMENT (IJRD) Хиндистон-2020 йил 78-81 1.
8. Mamajonov A.T. Accounting of income and expenses for regular activities. European Journal of Agricultural and Rural Education (EJARE). 2021.
9. Mamazhonov Akramjon Turgunovich. Conceptual issues of accounting for finished goods in the automotive industry. International Scientific Journal Theoretical & Applied Science. 2020.
10. A.T Mamajonov, F.R Uzokmirzaev, N Foziljonova. The main ways to solve the problem in the area of financial activity of the enterprise. - Innovations in science, 2018.
11. A.Mamazhonov and Muydinov E. Documenting An Audit Of Financial Statements Based On International Auditing Standards. International Journal of Progressive Sciences and Technologies (IJPSAT). 2021/2.