



INCREASING THE EFFICIENCY OF ENTREPRENEURSHIP AND SMALL BUSINESS THROUGH SYSTEMATIC STRATEGY AND MARKET ANALYSIS

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ABSTRACT

This article highlights the role of systematization strategy and market analysis in improving the efficiency of small businesses and entrepreneurship in Uzbekistan. Based on analytical and statistical approaches, it proposes solutions for enhancing economic performance through the use of modern tools such as SWOT, PESTLE, KPI, and digital transformation.

KEYWORDS

Small business, entrepreneurship, systematization strategy, market analysis, digital transformation, SWOT analysis, PESTLE model, KPI indicators, innovation, pricing strategy, competitiveness, value chain, economic efficiency.

INTRODUCTION

In recent years, the Government of the Republic of Uzbekistan has implemented a number of reforms aimed at the development of small business and private entrepreneurship. As part of these reforms, practical measures such as tax incentives, simplified licensing procedures, expansion of the electronic public service system, subsidies and the establishment of grant programs are being taken. In particular, financial support was provided to small business entities for the period 2022-2024 in the amount of more than 15 trillion soums. This led to an increase in their share of the economy and an increase in employment.

The role of small business and entrepreneurship in economic growth is gaining momentum. At the moment, their share in the gross domestic product (GDP) was 57.4% as of the end of 2024. This led to an increase in their share of the economy and an increase in employment.

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Nevertheless, there are still problems inherent in the industry. Including:

Low competitiveness: many small businesses have difficulty introducing modern technologies, which negatively affects product quality and cost [2].



Difficulties in adapting to market needs: small businesses often go into production without sufficiently studying consumer demand, modern design and marketing requirements. Low competitiveness: many small businesses have difficulty introducing modern technologies, which negatively affects product quality and cost[2].

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Slow innovation: funding for research and development (R&D) remains low, and the rate of digital technology deployment remains low.

Lack of financial resources: Many entrepreneurs face obstacles in obtaining loans, such as collateral, interest rates, or bureaucratic hurdles in collecting documents.

It is necessary to solve these problems in an integrated way. In this regard, the implementation of systematization strategy and deep market analysis is one of the most important and necessary directions. Through a systematization strategy, all branches of activity, such as production, financial management, marketing and personnel policy, are managed in a coordinated manner. This makes it possible to optimally mobilize the internal reserves of the business entity, reduce risks, increase efficiency [4].

On the other hand, market analysis, on the other hand, increases the flexibility of entrepreneurial activity to external factors. An in-depth study of competitors, the determination of the desires and needs of customers, the definition of specific segments for products or services gives the entrepreneur a strategic advantage.

Therefore, in Uzbekistan, a systematized approach and scientifically based market analysis are taking a central place in ensuring the sustainable development of small businesses. Through them, it will be possible to use resources wisely, grow steadily, integrate with domestic and foreign markets.

MAIN PART

1. The essence of the systematization strategy

Systematization is a strategic approach aimed at the comprehensive management of the activities of enterprises and organizations, providing for the coordination of all processes, resources, management tools and innovative capabilities on the basis of a single system. For small business entities in particular, systematization strategy is an important tool in achieving sustainability, competitiveness and innovative development [5].

The systematization strategy consists of the following main stages:
and standardizing processes

At this stage, all internal business processes of the enterprise (for example: purchasing, production, sales, service , logistics) are identified and clear standards are set for them. This provides the following advantages : A functional map is created for the processes. Performance indicators (KPI) are determined for each operation . The organizational structure is simplified, areas of responsibility are clearly defined.

If E is the ith business process, then the overall efficiency in the system is:

$$E = \sum_{i=1}^n (w_i \cdot e_i)$$

here :

e_i – i -process efficiency, w_i – i -process impact weight on the overall system , n – number of processes.

Phase II: Resource and capital movement modeling

At this stage, the flow of production facilities, financial resources , labor, raw materials and other resources is analyzed. The main goal is to ensure the most efficient use of resources. Weak points are identified through bottleneck analysis . A cash flow model is created. The Linear Programming method is used to allocate resources (Figure 1).

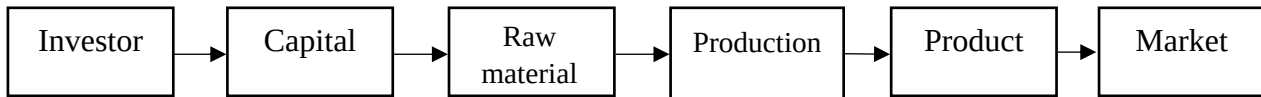


Figure 1. Linear programming method for resource allocation.

Stage III: Implementation of a performance management system

A system of continuous monitoring and analysis of the effectiveness of activities is established at all levels of the enterprise. This is carried out on the basis of: Balanced Scorecard (BSC) - a balanced scorecard system [6]. Specific KPIs (key performance indicators) are determined for each department . Dashboards and visual control panels are created based on digital technologies (Table 1).

Table 1.
Example of KPI indicators

Indicator name	Unit of measurement	Normative value	Current value	Difference (%)
Production volume	piece	10,000	9,200	-8%
Worker efficiency	product/worker	120	115	-4.2%
Operating expenses	million soums	500	480	+4%

Stage IV: Creating a value chain through innovative solutions

At this stage, innovations are introduced to increase the competitiveness of the enterprise. New products, technologies , and services are created, increasing efficiency throughout the entire value chain.

Value Chain Analysis (Porter's Value Chain):

- Inbound logistics
- Production
- Outbound logistics
- Marketing and sales
- Customer service

, increase efficiency at every level of activity.

The systematization strategy strengthens the internal management systems of small businesses and entrepreneurs, enabling rational use of resources, innovative growth, and rapid and high-quality adaptation to the market.[4,9] It is an important factor in the formation of a competitive model not only economically, but also organizationally and strategically.

2. Market analysis and methodology

Market analysis is an important part of running a successful business, effectively positioning a product or service, determining pricing policy, identifying competitors , and formulating offers

that meet consumer needs. Especially for small businesses, this process is one of the main tools for gaining competitive advantage.

Market analysis is based on the following main methodological approaches:

2.1. Identifying the target audience

A target audience is a group of consumers who have a need for a product or service . When determining it, the following factors are taken into account: demographic (age, gender , income level), geographic (region, city/rural), psychographic (lifestyle, values), and behavioral factors (buying habits, loyalty).

$$A = f(D, G, P, B)$$

Here: A – audience, D – demographic factors, G – geographic, P – psychographic, B – behavioral factors.

2.2. Competitor analysis (based on Porter's model)

Michael Porter's Five Forces model is one of the most effective tools for assessing the competitive environment. It includes the following forces: threat of new entrants, pressure from suppliers, pressure from customers, threat of substitute products, and existing competitors in the industry.

2.3. Formulating a pricing strategy

Pricing strategy determines the speed of product entry into the market, consumer acceptance , and profit margins. The following approaches are recommended for small businesses: Competitive market benchmarking , value-based pricing , penetration pricing (low price to enter the market).

$$Narx = Bx + M$$

Here: Bx is the cost of one unit of product, M is the profit margin (markup).

2.4. SWOT analysis

The SWOT analysis method is used to assess the internal and external environment of a small business enterprise. Below is a SWOT analysis for the example of a small textile enterprise (Table 2).

Table 2.
SWOT analysis (on the example of a small textile enterprise).

Criterion	Description
Strengths	Local raw materials, cheap labor
Weaknesses	Lack of innovative technologies
Opportunities	Exporting, expanding E-Economy platforms
Threats	Import competition, lack of financial resources

3. Statistical analysis

to the State Statistics Committee of the Republic of Uzbekistan , the share of small businesses in the economy has increased significantly in recent years. These changes are associated with reforms, simplified taxes, loans, infrastructure improvements, and digital transformation. From 2020 to 2024, a growth of 7.2 percent was observed. The largest jump occurred in 2023 - 2.3% . This growth is considered the result of state policy aimed at small businesses.

Market analysis, competitor analysis, audience targeting, and statistical approaches can greatly assist small businesses in targeting their products or services, increasing profitability, and making strategic decisions. In particular, realistic statistical analysis significantly increases the ability to forecast market movements.

CONCLUSION

Improving the efficiency of small businesses through a systematization strategy and in-depth market analysis not only enhances competitiveness, but also ensures sustainable growth in the national economy. Strategies developed using scientific approaches, statistical analysis, and mathematical models pave the way for clarity, stability, and innovation in entrepreneurial activities.

In recent years, institutional reforms aimed at the development of entrepreneurship and small business in Uzbekistan, tax and legal incentives, and financial support programs have played an important role in turning this sector into a key driver of economic growth. The analysis conducted in this article shows that two main areas of increasing the efficiency of small businesses are of particular importance - the systematization strategy and the integrated application of market analysis.

Through a systematization strategy, enterprises achieve internal efficiency by standardizing business processes, optimizing resource flows, implementing control mechanisms, and creating an innovative value chain. This creates a solid foundation for sustainable development in a competitive environment.

Market analysis allows small businesses to gain a deeper understanding of consumer needs, identify the strengths and weaknesses of competitors, determine pricing strategies, and form a stable position against external threats. Analyses based on the SWOT and Porter models provide the basis for more effective management of these processes.

Based on the analysis of statistical data, it can be observed that the share of small businesses in GDP is increasing year by year. The increase from 50.2% in 2020 to 57.4% in 2024 reflects the effectiveness of state policy.

Therefore, in the future, small businesses can achieve a higher level of competitiveness by digitizing their activities, developing strategies based on market analysis, and implementing systematic management principles. This is important not only at the level of an individual enterprise, but also for the economic development of the country as a whole.

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