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# SWOT ANALYSIS OF SMALL BUSINESS AND ENTREPRENEURSHIP THEORY AND IMPROVING EFFICIENCY IN THE FIELD OF SERVICE

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Abstract. In this article, at the current stage of the reforms implemented in our republic, the urgent task of achieving continuous economic growth in exchange for the liberalization of the economy, modernization of the country, and the provision of macroeconomic stability is set. This, in turn, is the basis of achievements in the economy - New Uzbekistan, a new worldview, improvement of property forms, sharp structural changes in the economy, and an increase in the share of small business and private entrepreneurship in the gross domestic product.

**Keywords:** small business, business, entrepreneur, entrepreneurship, private enterprise, service, capital, capitalist, additional interest, real estate, rent, business, activity, income, worker, labor, salary, production, factor, social efficiency, employee, process, social, development, population employment.

# SWOT-АНАЛИЗ ТЕОРИИ МАЛОГО БИЗНЕСА И ПРЕДПРИНИМАТЕЛЬСТВА И ПОВЫШЕНИЯ ЭФФЕКТИВНОСТИ В СФЕРЕ УСЛУГ

Аннотация. В данной статье на современном этапе проводимых в нашей республике реформ ставится актуальная задача достижения непрерывного экономического роста в обмен на либерализацию экономики, модернизацию страны, обеспечение макроэкономической стабильности. Это, в свою очередь, является основой достижений в экономике - Новый Узбекистан, новое мировоззрение, совершенствование форм собственности, резкие структурные изменения в экономике, увеличение доли малого бизнеса и частного предпринимательства в валовом внутреннем продукте.

**Ключевые слова**: малый бизнес, бизнес, предприниматель, предпринимательство, частное предприятие, услуга, капитал, капиталист, дополнительный процент, недвижимость, рента, бизнес, деятельность, доход, рабочий, труд, заработная плата, производство, фактор, социальная эффективность, работник, процесс, социальные, развитие, занятость населения.

#### INTRODUCTION

As the President of the Republic of Uzbekistan noted, "the creation of necessary conditions for entrepreneurship is defined as the primary task in the development strategy of the new Uzbekistan." it is defined as an urgent task.

The activity of small business and private business entities in the service sector, which is becoming one of the decisive sectors of our economy, is one of the consistently developing sectors not only in the Republic of Uzbekistan, but also in the Samarkand region. The share of this sector in the gross regional product is 52.4 percent, more than 77 percent of the employed population works in this sector, and more than half of the population's income is generated from this sector, which is a clear proof that it is becoming a sector that decides our today and tomorrow.

#### MATERIALS AND METHODS

Improving the efficiency of small business and private business entities in the field of service in the context of modernization of the economy and improvement of the population's

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well-being is one of the important issues facing the country's economy today. In particular, determining the perspective of improving the efficiency of small business and private business entities in the service sector, which is recognized as the main driving force of ownership, organizational and economic mechanismsimprovement and development of scientifically based proposals and practical recommendations in this field is very important. Because in the improvement of market relations, further liberalization of the economy, the development of small business and private entrepreneurship in the service sector, as a result of which the country's budget stability, the production of the gross domestic product (GDP), and the employment of the population are being solved. As a result of the creation of certain conditions for the development of this sector, the establishment of tax, customs and other payment benefits, the effective use of bank loans, the number of small business and private business entities in the service sector is increasing in a short period of time.

There are a number of scientific works of domestic and foreign economists dedicated to the development of small business and private entrepreneurship in the service sector, and the criteria for evaluating their activity. Theoretical foundations and social importance of the development of small business and private business entities in the service sector A.Smith, J.B.Sey, D.M.Keynes, Y. Schumpeter, A.V. Chayanov, K.A. Raitsky, I.A. Zhuravleva, A.P. Kiselev studied by such economists. They contributed to the development of the theory of small business and private entrepreneurship. During the years of independence, scientists of our country conducted a number of scientific researches on this topic. In particular, S.S. Gulomov, G'.H. Kudratov, Yo. Abdullaev, M.S. Kasimova, B. Khodiev, A. Abdullaev, D. Suyunov, M.Q. Pardaev, S.K. Salaev, B.A. Abdukarimov, G.S. Sevlikyants and E.N. Khadjaevlarit is necessary to emphasize the research conducted by others in this regard.

However, the result of the analysis of scientific literature showed that the issues of improving the efficiency of small business and private business entities have not been sufficiently researched in the service sector.

The term entrepreneurship was first used by the English economist Richard Cantillon in the late 17th and early 18th centuries. According to him, a businessman is a person who operates under risk conditions. Therefore, he considered land and labor to be the source of wealth that determines economic well-being.

Later, at the end of the 18th century and the beginning of the 19th century, the famous French economist J.B. Say (1767-1832) emphasized that the success of English industry was ensured by the "talent of English entrepreneurs". In the main thesis of J.B. Sey, it is said that entrepreneurs perform the main activity in the production of products.

In our opinion, J.B. Say's point of view has important theoretical and practical significance. In his famous book "Interpretation of Political Economy (Commentary)", he defines an entrepreneur as "a person who produces some kind of product for his own benefit under risky conditions at his own expense."

According to J.B. Sey, the entrepreneur's function includes the integration of factors of production (capital and labor), gathering of information and necessary experience, making decisions in production processes in the organization. Unlike R. Cantillon, J. B. Say put forward the definition as a coordinator and manager of production factors with creative, experimental, risky characters.

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Depending on the quality of the coordinator and manager of production factors, J.B. Sey distinguished the functions of an entrepreneur and an ordinary manager. At the same time, he noted that the profit of an entrepreneur consists of two parts, that is, profit from industry and profit from capital.

He did not distinguish between an owner - a capitalist and an entrepreneur. Most importantly, he saw no difficulty in distinguishing between the private owner and the entrepreneurial function, even if they were the same person.

American economist J.B. Clark (1847-1938) made some changes to J.B. Say's "triple formula". According to him, the following four factors are always involved in production: 1) capital; 2) capital means - means of production and land; 3) entrepreneurial activity; 4) labor of the worker.

Each factor reflects its own profit from production: from capital, the capitalist receives additional interest; real estate gives rent; the capitalist's business activity generates income; the labor of the worker provides him with wages.

J.B. Clarkaccording to the definition, "Free competition gives to labor what comes from labor bdissolves, capitalists get what capital creates, entrepreneurs get what comes from coordination activity".

The activity of entrepreneurs was not initially the object of analysis of scientific-research works. English economists A. Smith (1723-1790) and D. Ricardo (1772-1823) accepted the economy as a self-coordinating mechanism. There was no place for creative entrepreneurship in this mechanism. In the book "Inquiry into the nature and causes of the wealth of nations" (1776), A. Smith focused on the definition of an entrepreneur. In his opinion, an entrepreneur is a capital owner. He implements a certain business idea and starts working with risk to get profit, because investing capital in a business is always associated with risk.

It should be noted that in this article the author used a number of scientific methods, in particular methods such as systematic analysis and synthesis, comparison and discussion. At the end, conclusions and proposals are presented through abstract-logical thinking.

#### **RESULTS**

When evaluating the effectiveness of small business and private business entities in Samarkand region, it should be noted that one of the highest demand areas for services today is the field of information technology services. When assessing the efficiency of the limited liability company "Samarkand tex samara servis" operating in the Samarkand region, we can observe that the efficiency of service provision in 2021 compared to 2020 decreased (1.92/3.14). This indicates that the company's activities in the field of high-demand services are not well established. The company has opportunities to increase efficiency, and these opportunities, in our opinion, are:

- 1. Organization of mobile services for consumers who have the status of legal and natural persons. This leads to an increase in the share of income from additional services of the enterprise;
- 2. Specialization of types of services according to the specialty of the working staff. This leads to an increase in the volume of work performed during specific working hours, as a result of the specialization of employees;
- 3. Expansion of service branches across territories. This enterprise covers consumers throughout the region.

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In order to expand the above traditional methods of analysis and compare the results of these methods, although partially, in order to compare the current advantages, advantages, weaknesses, opportunities and threats of small business and private business entities in the service sector in Samarkand region, a SWOT analysis was carried out. -analysis. Taking into account the important scientific and practical importance of developing and implementing relevant measures, regional programs for the development of small business and private entrepreneurship in the service sector in the future, in all regions of the republic, in particular, in the Samarkand region, we present the conclusions of our research in the results of the SWOT analysis (Table 1).

 $1-table \\ Samarkand SWOT- analysis of the development of small business and private \\ entrepreneurship in the service sector in the region$ 

strong tOmons	weak tOmons
	11. 2.11. 1.2. 2.11.
long-term development and implementation	lack of qualifications of personnel, lack of
of State and regional programs for the	knowledge of market secrets and conjuncture;
development of small business and private	unreasonable preparation of prospective plans
entrepreneurship;	of small business and private business
the creation of a favorable regulatory and	entities;
legal environment;	limited financial resources;
availability of tax and customs benefits;	not having enough information on creating a
improvement of preferential lending	favorable business environment;
mechanism in commercial banks;	decrease in monetary income and number of
a sharp reduction in the intervention of state	customers;
and control agencies in financial and	such as lack of regional studies of supply and
economic activities;	demand, marketing, and market conditions.
increased level of capitalization of	
commercial banks;	
the existence of specific measures to get out	
of the crisis.	
opportunities	threats
opportunities existence of willingness of solvent investors	instability of prices and interest rates;
opportunities existence of willingness of solvent investors to invest in the sector;	instability of prices and interest rates; increase in the position of foreign competitors
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private	instability of prices and interest rates; increase in the position of foreign competitors in the services market;
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government;	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private	instability of prices and interest rates; increase in the position of foreign competitors in the services market;
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market;	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market;	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to three years;	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private business entities; variability of seasonal and demographic situation;
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to three years; the availability of opportunities to provide	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private business entities; variability of seasonal and demographic
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to three years; the availability of opportunities to provide and develop consulting services in the	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private business entities; variability of seasonal and demographic situation;
opportunities existence of willingness of solvent investors to invest in the sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to three years; the availability of opportunities to provide and develop consulting services in the region;	instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private business entities; variability of seasonal and demographic situation; such as the fact that laws that take into

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According to him, in the service sectorlong-term development and implementation of State and regional programs for the development of small business and private entrepreneurship as strengths of small business and private entrepreneurship development; the creation of a favorable regulatory and legal environment; availability of tax and customs benefits; improvement of preferential lending mechanism in commercial banks; a sharp reduction in the intervention of state and control agencies in financial and economic activities; increased level of capitalization of commercial banks; we can note the existence of specific measures to get out of the crisis.

As weaknesses of small business and private entrepreneurship development in the service sector, lack of qualification of personnel, lack of knowledge of market secrets and conjuncture; unreasonable preparation of prospective plans of small business and private business entities; limited financial resources; not having enough information on creating a favorable business environment; decrease in monetary income and number of customers; it is necessary to mention such indicators as the fact that studies on demand and supply, marketing, market conditions have not been conducted by region.

#### **DISCUSSION**

The existence of the government's desire to invest in the sector as opportunities for the development of small business and private entrepreneurship in the service sector; giving priority to small business and private business entities by the government; quick adaptability of small business and private business entities to the market; that the term of customs control is limited to three years; the availability of opportunities to provide and develop consulting services in the region; we can emphasize such things as the ability to conduct marketing research and study the market situation.

In turn, aspects that threaten the development of small business and private entrepreneurship in the service sector are the instability of prices and interest rates; increase in the position of foreign competitors in the services market; lack of well-established service market with other regions; lack of possibility of legislative changes always reaching small business and private business entities; variability of seasonal and demographic situation; we can say that the laws that take into account the specific characteristics of family business have not yet been created.

We believe that the results of the SWOT analysis will allow us to make effective decisions about all the opportunities in the region, to eliminate weaknesses and threats, to fully utilize the strengths and opportunities, and on the basis of this, we will create a foundation for the development of small business and private entrepreneurship in the service sector in the region.

#### **CONCLUSION**

The indicators of the results of the SWOT analysis mentioned above can be used in the evaluation of small business and private entrepreneurship activities in the service sector, in the creation of methodological bases of complex analysis and strategic planning, and in their research.

Based on the theoretical opinions of domestic and foreign economists on the development of small business and private entrepreneurship, we have developed our own definitions.

In our opinion, **entrepreneurship** means an independent, initiative activity carried out by citizens on the basis of their own risk and material and moral responsibility within the

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framework of current laws aimed at obtaining benefits related to the implementation of new ideas and increasing the well-being of the population. An entrepreneur is a business person who enters the market with a new idea, product, work and service, risking a certain amount of his financial resources, operating on the basis of current laws.

Business is a business or activity. From the point of view of economic management, business is an economic activity, a system of work or an activity system, in which the organization of production of goods or services, their sale, production factors, i.e., the owner of the property, is carried out.

Business is a system of production of useful products and services.

Information about when, by whom and in what situation the concept of business was first used is hardly found in historical sources. Depending on the origin of the word "business" from the English language, we can assume that its homeland is Great Britain. Another reason is that the industrial revolution, economic, social and political development of the 18th-19th centuries also took place in Great Britain..

In our opinion, business means an activity aimed at obtaining profit with own or borrowed funds, initiative and risk under one's own responsibility. Small business is defined as small-scale business entities that are able to adapt to rapid changes in the economy, have a limited number of employees, and operate on a small scale.

Also, the analysis of the data presented above shows that in the next years, it is desirable to develop a new system aimed at the development of the activities of small businesses and private entrepreneurs in the field of services in our country, and the development of a new system aimed at encouraging the introduction of innovations to small enterprises. The focus of priority on this type of reform programs creates the basis for achieving macroeconomic stability through the development of small innovative businesses in our country.

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