

## DEVELOPMENT OF THE SERVICES MARKET AND FACTORS AFFECTING IT

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**Abstract.** *In this article, in the development of the services market, the automation of accounting and management processes in enterprises, the development of business plans and technical and economic bases, the creation and adaptation of software products, the opening and administration of sites, and other directions in the IT field, as well as conducting training and seminars, were considered.*

**Keywords:** *Enterprise, consulting services, process, product, consulting.*

**Introduction.** In the scientific literature, the term "consulting" in the service market is interpreted in different ways. In general, consulting is considered as providing high-quality professional advice for a certain period of time, that is, advice on how to solve customer problems by a specialist. The need for consulting is formed in situations where individuals lack knowledge and skills to make effective decisions.

Currently, the segmentation of the consulting services market is mainly based on the characteristics of consulting objects and consulting content.

When dividing the market into segments based on consulting objects, we can pay attention to the following:

- consulting related to material wealth and property;
- consulting related to intangible (intellectual) property;
- consulting related to interpersonal relations.

**Research methodology.** Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process

**Analysis and results.** Depending on the content of the consultation consulting it is appropriate to distinguish the following segments of the services market:

- legal consulting, that is, consulting related to the law, decisions and regulations, rights and obligations, and legal solutions to conflict situations that make up the legal space in society;
- medical consulting, that is, consulting related to the restoration and protection of health of individuals;

-social-psychological consulting, that is, consulting related to stabilization of mental state of individuals, social psychological balance between individual and group, individual and society. In this case, consulting entities can act based on a specific order or a social order. For example: we can consider the provision of advice to families and citizens by neighborhood management bodies as consulting services performed on the basis of a social order;

- production-economic consulting, that is, consulting related to increasing the market competitiveness and efficiency of business entities.

At the same time, at the modern stage of socio-economic development, the content of consulting has become more focused on providing intellectual services in the field of business management. Therefore, most scientists understand the consulting market as the demand for advice and innovative ideas for the purpose of improving business processes and the mechanism of their satisfaction. The research carried out in our republic is mainly dedicated to the study of the segment of providing consulting services to economic entities.

From this point of view, all economic entities (legal entities and individuals) engaged in business and entrepreneurship as buyers in the consulting market are examples. Consulting services are offered by organizations, institutions and individuals who have experience, reliable information and knowledge in a certain field.

Prior to 2000, the process of privatization of most of the consulting services was aimed at managing joint-stock companies, drawing up business plans had received the advice. In recent years, there has been a sharp increase in the demand for consulting services in the business sector in Uzbekistan. The reasons for this can be attributed to the further liberalization of economic activities, the growth of economic entities with different forms of ownership, and the acceleration of international integration processes. It is also permissible to recognize the increase in the types of consulting services.

Consulting services are needed, first of all, when solutions to problems in enterprise management do not lead to expected positive results for a certain period of time. Current trends in the development of business in the Republic of Uzbekistan and abroad indicate an increase in the demand for consulting, as well as the development and implementation of projects by specially trained qualified specialists.

The conducted studies show that since 2004, the demand for consulting services in Uzbekistan has been increasing intensively, this development shows high speed - on average 15-20% per year. According to experts' estimates, in 2021-2022, the annual turnover of an average consulting company increased 8-10 times. This growth is related to the wide development of entrepreneurship and the expansion of direct foreign investments, which can be explained by the favorable situation in the world market of Uzbekistan's main export goods and the improvement of the business environment in the country. The measures taken to liberalize the foreign exchange market, simplify business organization and licensing mechanisms, regulate and increase the openness of the inspection of business entities, reduce the tax burden, and improve the mechanisms for providing banking services to enterprises and the population have been particularly favorable for our economy.

The sale of several standardized services to the consulting organizations studied by the researchers has brought significant income, namely:

- Automation of accounting and management processes;
- Development of business plans and technical and economic bases;
- Creation and adaptation of software products, opening and administration of sites and other directions in the IT field;
- Conducting training and seminars;
- Organization of advertising events and search for market information;
- Current advice on legal and financial matters.

Areas that require complex analytical work (marketing research, investment and strategic consulting) currently provide a significant part of the income of consultants.

Research shows that the main customers of services are local private companies, which account for almost 57% of the income of consulting organizations.

Small entrepreneurs are more concerned with the problems of organizing the production process, managing finances and solving current legal issues. Irrik business leaders are known to be interested in solving strategic and investment issues, as well as in production management and introduction of modern information technologies.

Studies have shown the continuity and stability of the demand for operational consulting. The frequent changes in the regulatory framework of economic activity increase the demand for

legal and financial advice, which also refers to the formalization of economic activity documents based on legal requirements.

Demand for development of business plans and feasibility studies, property valuation is also stable. This demand is mainly in commercial banks and others depending on the need to get a loan from financial institutions. Services such as business valuations are also in growing demand. Entrepreneurs understand that a quality appraisal can increase the market value of the enterprise and, accordingly, its value in the eyes of future investors and creditors.

Many enterprises of Uzbekistan are currently going through a period of growth associated with the increase in business scale. Owners and managers of such companies feel the need for modern management methods. First of all, the demand for accounting and management automation, strengthening control of business processes, engineering, financial consulting, audit and advertising consulting services is increasing.

The need for enterprise restructuring, asset and investment management requires the introduction of strategic planning, quality management, and marketing information systems. Due to the growth of business volumes and the complexity of its structure, the demand for training is also high. In recent years, the demand in the field of marketing and product promotion has also increased, which indicates the tightening of competition in the markets of Uzbekistan.

If we consider the professional consultants operating in the consulting market of Uzbekistan today, most of them are commercial organizations. These are large consulting companies, small consulting organizations, private entrepreneurs (individuals or individuals working on the basis of an employment contract). In addition, other departments of organizations (for example, specialists of commercial banks who prepare business plans for obtaining loans on a commercial basis, employees of state tax inspectorates, etc.) operate in the market of consulting services.

The main differences between small and large consulting organizations in terms of customer categories are that small organizations work mainly with small businesses, and large ones - with large enterprises, international and government organizations.

Large consulting companies specialize in mass standard services (automation, training, bringing goods to markets) and complex analytical work (marketing research). The main field of activity of small consulting companies is the development of business plans and technical and economic bases, which are often required for obtaining loans, as well as providing current consulting services to enterprises.

Researchers have distinguished the influence of several factors on the development of the consulting market of Uzbekistan:

- studies have shown that the market size is not large due to insufficient demand for consulting services by private business.

- Many people still do not understand the importance of consulting, and the low solvency of many companies also reduces the demand.

The consulting market of Uzbekistan can be called a "buyer's market", that is, in this market, the client sets the demand, and the prices of the services do not allow the sellers to get the expected income. The demand for consulting services is limited, and the number of consulting firms and individual consultants is much larger. so the choice for customers is very wide. Sellers are often forced to lower prices to attract customers.

This cannot be applied to leading companies that have gained reputation and accumulated significant capital, and have a stable demand for services.

In Uzbekistan, we can see the emergence of many influential, highly knowledgeable consultants, who in some cases surpass their colleagues in neighboring countries. The activities of

local consultants in the market of international projects are greatly increased. In the future, this may become a separate item of foreign currency receipts for Uzbekistan. Industry specialization within consulting organizations is not yet well developed. This can be explained by the low demand for consulting services. That is, narrow network firms cannot get the necessary volume of orders, professional consultants are the main resource of the local consulting business. Most organizations employ an average of 10 consultants on a permanent basis, plus an average of 5 outside consultants. And most companies have up to 3 lead advisors. In very few cases, the standard procedures accepted in large foreign firms are established in companies. The special importance of leading experts is determined by the fact that any expert can start his own business if the consulting business does not require high costs for "entering the network" (large initial capital investments, licensing barriers, etc.). In addition, the nature of the consulting business makes experts uncomfortable. That is, a good specialist can easily transfer to another company or work independently. As a result, the work in the expert organization will absorb the technologies, gain experience, and take away some of the customers. Consulting companies lack qualified experts in consulting. The higher education system does not adequately prepare business-related professionals for the consulting industry. Bringing experts to the required level is very expensive and takes a lot of time. The problem of lack of universal experts who can deal with extensive business consulting in the labor market is very acute.

Consulting companies find it difficult to obtain the necessary statistical data, and their level of detail is low. State agencies are reluctant to provide open statistical data, their price is also very high. The quality of marketing research is directly related to the quality of statistics. Conducting independent sociological surveys is also becoming more expensive.

Taxation of business consultants is also quite high, this is especially true of labor taxes. A significant part of a consulting firm is personnel costs. Taxes and other mandatory fees double the price of consulting services. Most small and medium enterprises cannot use the services of professional consultants.

At the same time, Uzbekistan does not currently have standards that determine the quality of a consulting project, as well as a rating for assessing the professional skills of specialists. As a result, people distrust this profession. There is an urgent need for standardization, which will ensure that the consulting market is as open as possible to both consumers of services and emerging professionals. On the other hand, of course, consulting companies will have to feel the market as a business structure and, of course, look for new ways to expand their business.

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