



IMPROVING FORMS AND METHODS OF ENSURING FINANCIAL STABILITY OF SMALL BUSINESS ENTITIES

Jololov Akromjon Jamolovich¹, Jalolova Ravshanoy Akromjonovna²

²Graduate School of Business and Entrepreneurship under the Cabinet of Ministers of the Republic of Uzbekistan

¹Tashkent Railway Technical College, Uzbekistan

ABSTRACT

The purpose of the study is to theoretically substantiate the directions for restructuring the financial system and develop practical recommendations to ensure the effective operation of business structures. Achieving this goal is associated with solving the following tasks: identify the socio-economic essence of the financial activities of business structures; analyze the factors that determine the financial stability of enterprises; to investigate the state of financial activity of entrepreneurial structures of the Republic of Uzbekistan ; determine the motivational basis for the financial activities of business structures; analyze the financial support of innovative entrepreneurship; determine directions for improving the forms and methods of ensuring the financial stability of small businesses. The object of the study is financial support for the effective activities of business structures and their financial stability. The subject of the study is financial and economic relations that develop in the process of interaction between business structures and the state.

KEY WORDS: *small business; financial stability of subjects; improvement; provision.*

INTRODUCTION

Improving the forms and methods of financial sustainability forces us to take a new approach to various established issues. When perceiving financial stability as accelerating the turnover of capital, it is advisable to highlight intellectual capital along with material (materialized) and financial capital. This is caused by the increased role of qualifications, abilities and knowledge of personnel, the rapid change in product technologies in modern production, which increases the value of intellectual property - patents, licenses, know-how, trade secrets, etc.

These same features of modern, dynamic production, which is under the ever-increasing influence of scientific and technological progress, also dictate the advisability of considering the capital of an enterprise from the point of view of ensuring effective management of personnel and clientele. Contacts with consumers and suppliers now have a huge impact on the economy of an enterprise. Taking into account their requests and capabilities, equipment and manufactured products are updated in the same rhythm with them. And new information technologies, means of communication, especially the Internet, make it possible to conduct a constant dialogue with allies and consumers, bypassing intermediaries.

The range of issues underlying the management concept, and the very center of gravity of management problems, begin to smoothly flow from the field of technology, production technology and finance into the sphere of economic and psychological problems, knowledge and information.

The allocation of intellectual capital as an independent management system is the most important condition for the effective functioning and renewal of production. The leaders of this methodology, the Americans, rightly believe that taking into account the strategic tasks of updating products and expanding markets, it is necessary to optimize the structure of intellectual capital.

Human capital, as its first component, is assessed by the ability of personnel to create useful products and generate effective solutions in constantly changing conditions. This refers to the ability of employees to propose



technological, technical, organizational, managerial, financial and other effective solutions of general managerial and private technological nature. Client capital is allocated in order to especially carefully analyze the business environment in which the enterprise operates, to monitor and stimulate client-related sources of income. Moreover, the mass of funds flowing from clients can be stimulated both by a general marketing strategy and advertising campaign, and by an individual approach to the client.

methods and factors for managing supply and demand also come into play . The attitude towards the clientele becomes differentiated. Therefore, the manager of supply and sales of products must turn into a manager of client capital, skillfully manage relationships with clients and contribute to the formation of an attractive image of the enterprise.

MATERIALS AND METHODS

In assessing the value of intellectual capital, the income approach is preferable, since it is a strategic asset, and identifying expected financial income better expresses its essence than cost and market methods allow. It is more advisable to involve independent experts to avoid biased conclusions.

According to 1998 data, the value of intellectual capital in the leading American companies engaged in the field of high technology was 69% of the total capital structure. At the beginning of 2001 it exceeds 80%. This indicates a lot. Firstly, that this type of capital is given paramount importance in firms and corporations. Secondly, management and marketing are being significantly restructured.

And thirdly, that the American economy has truly moved to a new dimension in the conditions of informatization and the rapid spread of new technologies, when the role of man and intelligence dominates the factors of - production development. When choosing long-term partners, American managers proceed from the fact that intellectual capital should make up at least 40% of the total capital structure. The structure of intellectual capital allows you to analyze its organic connection with financial and material capital in order to draw a conclusion about how reliable and promising the business is. This connection will help investors and creditors to better see where the threshold of the acceptable ratio between equity and borrowed funds lies in this case. The proposed structural section (Table 1) helps to evaluate a business more systematically.

Consulting firms and appraisers often turn in their activities to justifying the cost of certain elements of intellectual capital presented in the table. But this practice is not yet widespread.

Table 1. Enterprise capital structure

Intellectual	Financial	Material
Qualification knowledge, abilities, professional secrets and skills. Personnel’s property and non-property rights to ideas and decisions made.	Salary, royalties, royalties. Expenses for education, recreation and medical care.	Office equipment. Interior items. Transport. Property necessary for sanitary and environmental needs
Client, providing work with clientele		
Know-how, secrets formation of clientele. The company’s technologies for attraction, retention and expansion of clients. Experience main clients. Rights clients, consumers, ha guarantees .	service workers living . Discounts regular customers. Awards for useful research entam . Information costs onic materials, exhibitions, trips.	Service points service Spare parts and components for repair. Promotional stands, showcases, times .



Organizational, ensuring the main production

<p>The company's rights to patents, trademarks, know-how. Potential WHO</p> <p>enterprise capabilities (Technical processes, technologies, resources).</p>	<p>Working capital, costs operation and repair of equipment ki. Upgrade costs</p> <p>production.</p>	<p>Movable and immovable squeezed property. In tools, raw materials and materials</p> <p>terials</p>
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Bankers, as a rule, do not take into account the intellectual assets of enterprises when lending. Although it is precisely due to them that the value of shares in American and Western European companies engaged in the information business is rapidly growing.

The current state of financial activity of enterprises is largely determined by the state of the budget. An analysis of the 2001 budget shows that there are no clear guidelines for a long-term budget planning strategy. The limitation of the budget forecast to an annual period makes it impossible to purposefully influence the financing strategy.

Over the past few years, there has been a pronounced tendency to concentrate the revenue potential of the budget system at the federal budget level. The budget includes indicators indicating that the revenue potential of the constituent entities' budgets is declining both in terms of its growth rate and in the proportions of distribution of the consolidated budget of Uzbekistan . Such a reduction is predetermined primarily by the introduction of part two of the Tax Code of Uzbekistan .

The primary surplus of the federal budget continues to increase. Thus, the Republican budget for 2001 provides for a primary surplus of 3.93 percent of the gross domestic product; in 2000 it was planned to be 3.18 percent of the gross domestic product. While the revenue potential of the budgets of the constituent entities of Uzbekistan decreases to 10.4 percent of the gross domestic product in 2001 compared to 12.6 percent of the gross domestic product in 2000.

The balance of the federal budget with the growth of the primary surplus (Fig. 2) was achieved due to the imbalance of financial resources of the constituent entities of the Republic of Uzbekistan . This ultimately makes it difficult to formulate a strategy for the financial sustainability of enterprises depending on changes in the external environment.

If we take into account that the budget expenditures of the constituent entities of the Republic of Uzbekistan (primarily of a social nature) are not decreasing, then ultimately such a budget policy is contrary to the interests of enterprises and the country as a whole, but quite successfully contributes to the fulfillment of the obligations of the federal budget.

To get out of a difficult situation, measures are needed to adjust financial, credit and tax policies that meet the real needs of both enterprises and regions of the country, and citizens.

Practice shows that the founders of an enterprise, or, more precisely, individuals who want to establish an enterprise, are faced with the problem of choosing an organizational and legal form. By the organizational and legal form of an enterprise we mean a set of property and organizational differences, methods of forming property, features of interaction between owners and their responsibility to each other and third parties.

The current legislation provides for the following main organizational and legal forms of enterprises: business partnerships and societies, production cooperatives, state and municipal unitary enterprises, consumer cooperatives, public, religious organizations (associations), institutions, charitable and other foundations.

When choosing one form or another, it is advisable to proceed from the following: the amount of responsibility, the ease and simplicity of changing participants, etc. At the same time (assuming other conditions are equal), the



following aspect arises: are there differences in the formation of costs for the indicated organizational and legal forms?

If the financial manager has grounds for regular (at least annual) independent monitoring and assessment of the financial activities of the enterprise, then the founders of the enterprise can invite a foreign company as a co-owner. In this case, the cost of such regular audit services (which also means straightening financial statements, assessing liabilities and assets, and providing relevant consultations) will be included in the cost price. In this case, two completely identical enterprises in all other respects (one with a foreign shareholder, the other without) will differ in the size of their cost, and therefore, net profit after taxes.

One could go on with countless examples of financial planning related to the form of business. However, information is important to us as a specific product and subject of management activity. It has a number of distinctive features, appearing at a certain stage of the labor product management process - for the subsequent stage it acts as an object. Information loses its consumer properties due to the emergence of new information that deepens knowledge: useful properties appear only in the consumer and depend not only on the value of the ideas embedded, the duration of use, but also on the level of qualifications and ability to perceive.

Information has the ability to be replicated and used in many places and for different purposes. With a dynamically developing management system, such qualities of information as complexity and completeness, reliability and timeliness should improve. The completeness and complexity of information are determined by specific management tasks. The reliability of information is characterized by how objectively it reflects real processes. It is possible to increase the level of reliability by reducing the links in information processing and improving methods of collecting and processing information.

Improving the quality of information in management is achieved through the temporality of the data provided. The value of information is directly dependent on the speed at which it enters the system. Outdated information is useless.

High quality of information does not yet fully reflect the quality of the information process in management. The content and usefulness of information properties are formed in accordance with the needs of government authorities, and its quality, efficiency and costs depend on the organization and functioning of the information system.

The content of information determines the complex of tasks solved by the control system. Typically, the content of information in an enterprise is expressed in quantitative and qualitative indicators that characterize the activities of the entrepreneur or the company as a whole.

These can be indicators of fixed and working capital, their development, inventories, labor, sales and sales of products, the results of the enterprise, the external market and competitors, internal interaction between departments, etc. .

If we consider the company as an object and subject of management, then it would be possible to divide information into input, intermediate and output. Inputs are typically developed outside the firm's management system. They seem to represent a kind of raw material for developing their data and organizing management.

Intermediate or internal data is used to perform various internal production tasks, clarify the production situation, review the consistency and quality of decisions made and carry out activities on the direct management process, in particular this is associated with intra-company management.

Output or final data determine the content of analytical conclusions or management decisions made and serve as indicators of the activity of the management object. In this regard, in order to streamline information flows and use it more rationally, conditionally constant data is isolated, which is characterized by a certain stability. They are reused in the management process.



Such indicators can be various standards and legally established indicators. The change in indicators is associated with the methodology for their determination, with the construction of the management system and with the technology of the management processes themselves.

Conditionally constant and primary data collectively reflect the flow of input information. Its power depends on the actual operating conditions of a particular control system.

In general, information in a company's management system differs as targets (planned), accounting, reporting and statistical. Targeted, planned information reflects the focus and results of the organization and management. Accounting and reporting data reflect production and economic activities and serve to analyze and control the activities of the enterprise.

Statistical information characterizes the most widespread phenomena over a long period. It allows you to identify trends, connections and relationships between various phenomena, to reveal their essence and interconnection. In principle, statistical information is designed to serve the entire management cycle.

Increasing the financial and organizational transparency of enterprises is associated with reforming the accounting system. Accounting reform should be aimed at introducing new national standards that meet modern accounting requirements in a market economy and are compatible with international standards.

The concept of accounting in the Republic of Uzbekistan should determine the basis for building an accounting system in the new economic environment emerging in the country, as well as set guidelines for the activities of various bodies and organizations involved in the regulatory regulation of accounting.

When developing accounting standards, such approaches to the preparation of financial statements must be implemented that will ensure the formation of reported financial information based on the priority of the economic content of the facts of economic activity over their form. This assumes that financial reporting information is not strictly tied to the norms of civil, tax and other legislation.

The model of interaction between the accounting system and the tax system needs to be improved. It is assumed that the basis for determining the tax obligations of business entities is the data generated in accounting, and the transition from one system of indicators to another is carried out through the minimum necessary, understandable and relatively easily implemented in practice adjustments outside the accounting system.

Of great importance is such an instrument as the new Chart of Accounts for accounting, which came into force on January 1, 2001. It largely determines whether accounting will adequately reflect the financial entity of the company, or will continue to exist for the state, and not for business.

In order for accounting standards to gain recognition and trust from a wide range of users, as well as to include the professional community in the process of adopting standards, it is advisable to create an Accounting Standards Committee of a small number of specialists with high qualifications in the field of accounting, accounting and practical experience with International Financial Reporting Standards.

The main task of such a Committee should be to examine the compliance of accounting standards with the conditions of the market economy emerging in the Republic of Uzbekistan and International Financial Reporting Standards.

International accounting principles are largely based on economic logic, constant generalization of international practice, and ease of perception of information by the user.

In order to quickly and most effectively include the professional community in further work on reforming accounting, it is necessary to support the formation and development of an independent professional association - the Institute of Professional Accountants of the Republic of Uzbekistan . At the same time, it is necessary to



keep in mind that in the future , as the positions of the professional community strengthen, we should move on to implementing the idea of multiple professional associations.

The transition to international accounting standards is impossible without constant and active cooperation with international organizations. It is necessary to establish ongoing systematic work with the following international organizations: Committee on International Financial Reporting Standards; International Federation of Accountants; the Accounting Section of the UN Committee on Trade and Development; Organization for Economic Cooperation and Development. Contacts with international organizations should be carried out both at the state level and at the level of public professional organizations of accountants and auditors.

International assistance in reforming national accounting systems should be coordinated by an interdepartmental commission on accounting. The International Center for Accounting Reform should play a key role in increasing the effectiveness of this work .

The transition to new accounting standards will require significant capital investments in retraining specialists and re-equipping their activities. According to expert estimates, the total need for training and retraining of accounting personnel is about 3 million people.

It will be necessary to tighten government control over the process of disclosing information that enterprises are required to provide in accordance with current legislation. At the same time, it is necessary to implement a set of measures to improve the efficiency of non-state verification of the authenticity of disclosed information. In this regard, tightening control over the activities of auditors is required.

To stimulate the transition of enterprises to new standards from parity, it is necessary to develop criteria linking the level and volume of government financing of enterprises with the level and quality of disclosed information. Significant success in standardization in the field of processing financial information can be achieved in connection with the adoption of a scheme for grouping and coding accounts in accordance with the State General Accounting Standard.

Standards for presenting data obtained during the implementation of the unified financial management modernization program are an essential element in the formation of a unified national financial system. These standards provide a means to help interconnect many different systems using different hardware and configurations.

They also open up the opportunity to purchase ready-made commercial software products and hardware that meet these national standards. This cannot be done without the formation of a primary financial system.

The primary financial system is a basic financial and accounting system that provides the required general (accounting) accounting for all financial transactions, resource balances and individual financial systems. This primary (or core) financial system prepares all standard financial and budgetary reports for the Ministry of Finance and Parliament, maintains asset accounts; exercises control over capital.

This will require setting up processes for obtaining generalized and unified financial information: both general - from the levels of general institutional basic financial systems, and private - from the levels of their individual main components.

In each individual department, due to the electronic communication system between individual components of subordinate and program subsystems, the basic financial system will become a single source of management information in this institution. These primary systems, in turn, are the basic components or core of the unified national system. In the course of modernizing the financial system, when choosing software sources, preference is given to ready-made commercial products.

The advantage of this approach is that such a software product has a lower cost than a specially developed one, and allows you to quickly expand the software base due to new software packages appearing on the market.



The positive impact of a unified financial system on the securities market may be as follows. Firstly, by providing more timely information about the placement of securities, the system can attract the attention or interest of investors in certain shares, certificates, etc. and, thereby, expand equality in the ownership of securities, as well as increase market liquidity. Second, a unified financial system could improve the stock market for some lesser-known companies. The system helps analysts and marketing specialists continuously monitor “dormant” securities. Thirdly, electronic information on more or less large companies will also be provided faster and more timely. Fourth, near-instant access to a wide range of information will allow investors to make more informed capital allocation decisions. Fifthly, documents will be processed faster and, thus, the delay in providing citizens with information about securities will be reduced.

In other words, a unified financial system has the potential to improve the efficiency of the entire securities market. To form such a system, a number of problems will need to be solved.

The positive side in standardizing the processing of financial information in the Republic of Uzbekistan is that we have adopted a scheme for grouping and coding accounts in accordance with the general accounting standard of the Republic of Uzbekistan. These standards provide a means to interconnect many different systems using different hardware and configurations. They also open up the opportunity to purchase ready-made commercial software and hardware that meet these national standards.

To normalize financial relations within an enterprise, it is necessary, first of all, to improve the entire financial system, which should ensure economic growth based on the development of the country’s industrial potential, implement an active policy of economic growth, and primarily through stimulating investment processes with active government support from the Development Budget of the Republic of Uzbekistan private entrepreneurs, and domestic commodity producers to ensure production growth, increase its efficiency and the competitiveness of manufactured products.

For this purpose, already when forming the budget, it is advisable to: - provide for measures to improve the financial system, purposefully ensuring economic growth based on the restoration and development of the country’s industrial potential;

abandon the intention to concentrate the bulk of tax revenues in the federal budget;
intensify work on the development of new social policy mechanisms based on the coordination of the state’s social obligations and real opportunities for financing them;

implement a policy of economic growth by stimulating investment processes.

The formation of a financial system is a complex and contradictory process. It is associated both with the development of the economy as a whole and with the patterns of socio-economic development in the transition period. Structural changes are currently taking place in the financial system. These changes are often associated with changes in government intervention in financial services. At the same time, in government institutions, financial bodies and services are fragmented and arise without any general or state plan, centralized authority or appropriate standards.

All this leads to inconsistency in the functions, levels of reporting and areas of competence of financial authorities within the main federal departments and even in the activities of individual functional units within the departments themselves.

As a result, the state loses hundreds of millions of rubles in interest payments only due to the lack of proper order in the financial sector. On the other hand, any significant changes in the functioning mechanism of the government apparatus primarily concern those types of its activities that are related to the processing and provision of information. In turn, most significant changes can be realized through the use of major advances in information technology. One of the main ideas of the ongoing transformations of government structures is to improve the quality of services provided to citizens by government agencies. Rapidly improving expert systems are already being developed. Automated decision support systems will help government officials provide businesses with the information and advice they need.



If in the West up to 25% of capital investments are directed to the creation and processing of information necessary for the normal functioning of the company, then in the Republic of Uzbekistan the situation is much worse. Although the Republic of Uzbekistan is among the top ten countries in terms of market saturation with computer technologies, it noticeably lags behind the use of these technologies in production, business and politics.

Currently, questions arise about creating a national information processing system. An analysis of the state mechanism shows that the once advanced state financial management system in terms of automation has become so outdated that it can no longer function in accordance with generally accepted commercial standards. In many cases, systems operate inconsistently and provide incomplete, contradictory information and, often, very late.

The urgent need to create an effective governance mechanism in the financial sector is determined by its huge range. Therefore, the goals of developing programs for creating a unified financial system have yet to be determined. To do this you will need:

- provide an opportunity for government leaders to introduce the position of Chief Finance Administrator by improving the organizational structure;

- improve the financial management system to prepare it for the development of a unified “National Financial System” united by communication lines with the primary financial systems of each large department or institution, which, in turn, are formed from their constituent subordinate and program systems;

- integrate connections between budget systems and financial systems databases.

- establish truly business-like processes for regulating and controlling cash transactions to achieve maximum efficiency in cash flow;

- establish internal controls to prevent the possibility of fraud, abuse, waste and losses.

The introduction of the post of Chief Financial Administrator and the creation of appropriate organizational structures under it is a certain guarantee that highly professional, authoritative, responsible and energetic specialists capable of competently implementing the program of modernization of the financial system will be appointed to key government posts in financial institutions.

The concept and structure of the National Financial System in its main features will determine the main components of the National Information System for financial management.

In the conditions of the transition period and disruption of production relations between enterprises, entrepreneurship, as an important part of institutional reforms, plays the role of an economic damper.

In the Republic of Uzbekistan, so far only small businesses have a sufficiently high adaptation potential, which makes it possible to adapt to changing environmental conditions. The active development of entrepreneurship will increase the interest of medium and large enterprises in production and non-production cooperation, thereby restoring production and technological chains.

The increasing economic and social importance of small businesses should be supported by state and public support measures aimed at shifting the focus of the policy of promoting small and medium-sized enterprises to the regional and municipal levels, primarily in the production and innovation spheres.

Expanding the scale and changing the structure of small businesses will require changes to its legislative framework, establishing such statuses of concepts accepted in international practice as “microform” (up to 10-15 employees), “small enterprise” (from 15 to 100 employees), medium enterprise” (from 100 to 300-500 employees).

As the inflationary background and inflationary expectations decline and the reform of enterprises is carried out, targets will change; the prerequisites for the growth of production and investment activity of small and medium-sized enterprises will be realized, the redistribution of part of capital from the trade sector to the development of production potential, the development of resource-saving and high-tech technologies, the creation favorable



climate for strategic investments. The guarantor of the implementation of such projects will be the stability of the legal and tax regime, which will not allow a deterioration of the initially established conditions of taxation and investment.

It is concluded that improving the forms and methods of ensuring the financial stability of business structures requires a rethinking of the financial interaction of enterprises and the state, accounting policies and changes in the system of indicators of the economic activity of the enterprise.

To enhance the production and investment activities of small and medium-sized enterprises, the Government's efforts should be aimed at:

creating the necessary conditions for small enterprises to use idle and underutilized fixed assets, including when implementing sanctions measures against bankrupt enterprises;

concentration of state support resources on the formation of modern high-tech goods producing and innovation sectors in small businesses ; creating conditions and incentives for expanding production, technological and innovative cooperation of small businesses with large-scale production; information support for small businesses (development of regional data banks on a unified classification basis);

formation of a favorable taxation procedure for organizations included in the infrastructure for supporting small businesses;

creation of a regulatory framework that provides state support for investment projects of small businesses , as well as the attraction and use of foreign loans for these purposes.

CONCLUSIONS

The study of the problem of financial support for the effective activities of business structures takes one of the first places in the theory and practice of economic reform. We are talking about streamlining public finances, state financial control, programs to save public expenditures while simultaneously strengthening the financial condition of enterprises and their competitiveness. In addition, further development of an economic program aimed at supporting small and medium-sized business structures and the implementation of large-scale market reforms that take into account the specifics of the Republic of Uzbekistan business are required.

Government financial activities, in principle, should be aimed at ensuring sustainable economic growth. This requires a maximally favorable environment for private investment, ensuring public confidence in the state and the business sector, and focusing public policy on supporting and stimulating investment activity. The financial stability of business structures and their well-being depend on how optimally financial flows are formed and developed; the financial system is being restructured to ensure the efficient operation of business structures.

The system of economic relations is actively formed by small businesses. Economic ties of small enterprises are longer than those of large enterprises, especially with consumers (sellers), they are better able to retain the sales market. Economic cooperation in small businesses is gradually developing into integration, especially among the most successful enterprises. Issues of the effectiveness of reforming and restructuring enterprises and ensuring their financial stability are coming to the fore.

The main external factors that determine the financial stability of enterprises at this stage of economic development are: fluctuations in prices on the market and their significant deviation from the cost, imbalance of supply and demand, the spontaneous nature of regulation of the size of property, irrational use of internal potential, and a decrease in the innovative activity of enterprises. These factors are interconnected and interdependent and have a significant impact on the cost indicators of financial and economic activity.

Entrepreneurs operate in certain conditions that together make up the business environment, which represents an integrated set of various factors that allow entrepreneurs to achieve success in achieving their goals, in implementing business contracts and generating profit (income). As an integrated complex system, the business environment can be divided into external, which, as a rule, does not depend on the entrepreneurs themselves, and internal, which is formed directly by the entrepreneurs themselves.



The internal components of sustainability depend on the development strategy of the business structure and are determined by: innovative activity; the ability to diversify while maintaining the level of competitiveness of products; organizational and economic flexibility; reproductive integrity (complexity); level of controllability. The financial stability of a company in a difficult socio-economic environment can guarantee targeted development. It reflects the totality of a number of properties of the entrepreneurial structure itself, its most important components: production activities, material and technical base, resource support, human and intellectual potential.

An entrepreneurial structure will be sustainable if it is defined and compatible with other structures at the macroeconomic level and is aimed at fulfilling the strategic objectives of the development of the economy as a whole; has a certain degree of independence and autonomy, i.e. is a holistic, formed and constantly developing organism. Such a structure must have a management system adequate in its content and dynamics; maintain its overall quality and functions when changing the structure of the company; have a certain potential for self-organization and self-development.

Factor analysis of the financial stability of business structures is a complex and time-consuming process. The complexity is due to the absence of a simple mechanism for calculating the degree of influence of a particular factor on the formation of specific stability properties. But science has already made certain advances in this direction.

The methodological approach to determining the internal factors of financial stability is based on identifying the underlying causes that directly affect the formation of the main components of the financial and economic activities of business structures. In this case, the same cause is the initial cause in several cause-and-effect relationships, i.e. the same factor is involved in the formation of several qualities and properties of financial stability. This approach allows us to classify among the internal factors of financial stability: new elements of the productive forces (new technology, new equipment during re-equipment, new qualifications, additional intellectual resources); new forms of labor and production organization (new motivation, new business structures, new forms of labor coordination, innovative management); improving the quality of individual resources (liquidity of the company's capital, mobility, reproducibility of internal investment, proportionality of the internal investment complex, quality of innovation).

Quantitative certainty is required to analyze financial sustainability. The main source of information is financial statements, the balance sheet items of which are constantly changing. Financial stability is determined by the ratio of the enterprise's own and borrowed funds as part of their sources. Official indicators of the financial stability of enterprises mainly reveal the excess or lack of own and borrowed funds for financial activities. Often they do not reveal the actual state of affairs and do not allow diagnosing the financial condition of the enterprise. It is advisable to use other indicators of financial activity: data on profits and losses, accounts payable, accounts receivable, indicators of profitability of economic activities, liquidity, business activity.

Ensuring the sustainability of small businesses in the production, scientific, technical, intermediary and other spheres is possible only with proper support from the state. At the same time, investments act as a form of reproductive movement of the entire system of economic resources of society, including labor, material, production and technological resources and entrepreneurial resource (resource of entrepreneurial abilities of society).

Entrepreneurship is an effective mechanism for self-organization and self-development of civil society as a sphere of private interests. Its self-development is carried out thanks to the mechanism of competition, which ensures the natural selection of more viable formations and stimulates the process of transition from simpler forms of organization to more complex ones.

One of the directions for stabilizing the economy and its financial stability is innovation. In a transition economy, innovative entrepreneurship is not provided with appropriate resources. Therefore, it is necessary to use internal reserves. The main source of financing innovation activities remains the own funds of enterprises. The use of



credit and borrowed funds is not widespread. The share of budget funds and foreign investment is still insignificant.

The lack of own financial resources and attracted investments , as well as the peculiarity of the national system for determining the composition and accounting of costs under strict legislative and regulatory restrictions, continue to be important factors hindering the development and adoption of new technologies, equipment, materials and products.

In conditions of sustainable growth of the real sector of the economy, it is advisable to mobilize additional investment sources: investment and social money emission; attracting domestic and foreign investors to the real sector of the economy through the mechanism of a commercial concession for the use of natural resources; transformation of household savings into investments.

To improve innovation activity at industrial enterprises and accelerate the development of new equipment, technologies and materials , it also seems appropriate: the creation of tax incentives for innovatively active enterprises that have certain advantages over subsidies; development of an information system for large-scale monitoring of existing technological and information problems; restoration of scientific and technical services at enterprises and industry scientific and technical centers in order to ensure close interaction between science and industry, industry and the market.

Processes of development of the integrated scientific and production process of large and small enterprises in the implementation of effective connections with systems of a higher order are observed. Small business is an integral organic part of a market economy, its mass base and an essential element of the market mechanism, without which a market economy is unable to function and develop. In a market economy, it performs a number of essential functions: firstly, it gives the economy the necessary flexibility, quickly responding to changes in market conditions, and secondly, it makes a significant contribution to the formation of a competitive environment, which is of primary importance for the highly monopolized economy of the Republic of Uzbekistan , thirdly, it softens social tensions and democratizes market relations.

The financial stability of an enterprise is determined not so much by the availability of financial resources as by the rate of capital turnover. From this perspective, profit, although it is one of the sources of financial resources, is not at all a decisive factor in ensuring financial stability. Perception of financial stability as acceleration of capital turnover (material, financial and intellectual); the formation of standards for reporting financial information based on the priority of the economic content of the facts of economic activity over their form allows for a new approach to the problems of determining financial stability depending on the organizational forms of small businesses. If the ultimate goal of the state's economic policy is to ensure sustainable economic growth and improve the well- being of the people, then to achieve this goal it is necessary to build an effectively functioning financial system that would allow stable work in the interaction of the commercial and public sectors, in conditions of macroeconomic stability, internal and external financial stability.

To ensure stability, it will be necessary to: tighten fiscal policy, reduce expenditures not related to debt servicing (improving tax administration, eliminating ineffective expenditures), implement large-scale structural reforms to strengthen the basic elements of a market economy, continue the use of a floating exchange rate regime, carry out restructuring external debt, ensure a budget surplus.

The most important elements of a financial strategy are flexibility and adaptability . They allow you to quickly respond to changes, make adjustments to the enterprise strategy, and get rid of ineffective financing methods. The goal of diversification is long-term profitability. It depends on the portfolio strategy and investment optimization. In the long term, what matters is the ratio of capital to the value of its turnover per worker, the share of accumulated profit for the purpose of expanded reproduction. However, in all cases, the amount of return on invested capital matters. The competitive environment sometimes makes it necessary to cease operations due to the fact that the return on invested capital is low and does not cover the costs incurred.



It is most preferable to wind down production in stages with a gradual transfer of financial resources to new areas of business. Termination of activities is possible through partial or complete reorientation of production based on reconstruction and technical re-equipment. A gradual switching of capital occurs during the modernization and re-equipment of production to produce new products. At the same time, additional financial resources accumulated for the purposes of expanded reproduction may be involved in circulation. Such an entrepreneurial structure exhibits independence in solving production issues only in horizontal integration processes.

Vertical integration is associated with the redistribution of financial resources, their pooling to finance common programs from a single center. It can limit the entrepreneurial freedom of the financial manager if centralism and administration prevail. A vertical integration system can unite various business structures and realize the synergy effect, i.e. create conditions for their adaptation to the general principles of activity underlying the processes of self-organization, to dynamic equilibrium.

To normalize financial relations within an enterprise, it is necessary, first of all, to improve the entire financial system, implement an active policy of economic growth, primarily through stimulating investment processes with active government support for private entrepreneurs and domestic producers to ensure production growth, increase its efficiency and competitiveness.

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