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SECTION 31. Economic research, finance, innovation, risk management.

### BUSINESS ACTIVITY MANAGEMENT METHODS DEVELOPMENT IN TEXTILE INDUSTRY

**Abstract**: In this article we are going to consider the Business Activity management methods development in textile industry. The role of textile companies in the sustainable development of light industry in Uzbekistan and the scientific and theoretical foundations for the organization of trade in these products are discussed.

**Key words**: business activity, business management, mechanism, incentives, business activity management methods, monitoring.

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#### INTRODUCTION

Today, the textile industry of our country is characterized not only by its high growth rates, but also as a steadily increasing branch of exports, attracting foreign investment, and modernizing the manufacturing processes and radically re-technical and technological renewal.

In recent years, the volume of production in the textile industry has grown rapidly and its share in the country's GDP has significantly increased. At the same time, the share of the textile industry in GDP - 5.2%, the share of the total industry - 9.7%, and the share of light industry - 58.4% (Fig.1).

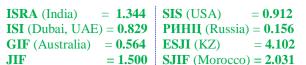
The analysis shows that in 2016 the textile industry enterprises produced goods to the amount of 8938.9 billion soums. soums, which is 112.1% more than last year [18]. Currently, there are 3476 textile factories in Uzbekistan. High growth rates are observed in the city of Tashkent, Andijan, Fergana and Samarkand regions. Sustainable growth rates can be explained by the ongoing reforms in the sector, the ongoing reforms in technical and technological renewal and diversification of production.

The above analysis shows that the textile industry is rapidly developing. However, the existing

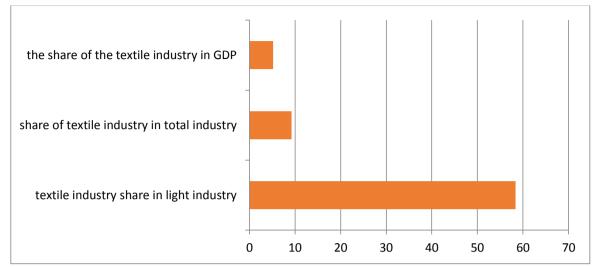
potential and resources of the Uzbek textile sector are still not fully utilized. This demonstrates the need for a thorough scientific and practical study of the stockpile and economic potential of textile enterprises.

Of course, today many studies have been conducted on the concept of economic potential of the industrial enterprises, their components, and their evaluation indicators. However, there is practically research into the specific developmental characteristics of the real sector of the economy, with substantial scientific and practical recommendations on the concept of economic potential of the sector, its evaluation indicators and mechanisms of economic capacity building. The main goal of the research is to develop scientific recommendations and practical recommendations on improving business management in textile enterprises under the modernization of the economy.









Source: Calculated by the author based on the data from the Statistics Committee of the Republic of Uzbekistan.

Fig.1. The Role of the Textile Industry in Uzbekistan's Economy (2016)

Based on the above, it is desirable for us to consider the economic well-being of the textile industry, the structure and the valuation of the textile industry, and the economic nature of the textile industry, taking into account the organizational and economic essence, structure and peculiarities of the textile industry.

### LITERATURE REVIEW

The main theoretical and practical problems of the formation and development of entrepreneurial activity were studied in the works of foreign scientists L.I. Abalkina, J.I.M. Badalova, A.O. Blinova, A.V. Busygin, A.V. Vilensky, O.S. Vikhansky, V. Ya. Gorfinkel, V.D. Gribov, S.V. Gus'kova, A.K. Kazantsev, V.V. Karpov, SM.. Kretova, A.A. Krupanina, O.I. Lavrushin, M.G. Lapusts, A. I. Murav'eva, R. B. Novruzov. G.B. Polyak, Yu.L.Starostina, L.V. Fatkina, I.N. Shapkina, V.A. Shvandara, I.K. Shevchenko.

The management of the entrepreneurial activities in a competitive environment was given considerable attention by foreign scholars: A. Smith, A. Albert, J. M. Keynes, R. Cantillon, T. Keller, M. Meskon, J. Mill, Michael Porter, J.-B. . Say, W. Thompson, J. Formby, F. Haike, A. Hansen, F. Hedouri, A. Hizrich, A. Hosking, J. Schumpeter, and others.

However, their works are mainly based on the study of the impact of state regulation on the entrepreneurial and investment activities of enterprises, the generalization and analysis of the work of small enterprises as a whole, without taking into account the specifics of industries and stages of the life cycle. Many discussion issues related to the organization of entrepreneurship in specific areas of activity under certain conditions, have not been adequately reflected in the scientific literature. The

above stated the main directions, purpose and objectives of this study.

## PURPOSE OF INCREASING THE BUSINESS ACTIVITY OF INDUSTRIAL ENTERPRISES

The main purpose of increasing the business activity of industrial enterprises is to achieve high efficiency by utilizing available resources. In this case, the outcome of economic entities' behavior is evident in business activity. Therefore, business activity is a controlled process.

Managing business activity is a complex of management actions that provide a competitive advantage by focusing the enterprise's economic potential in a free market economy.

It describes the mechanism for managing the market's goals and capabilities.

In general, business management is a harmonized system of measures, principles, methods, tools, tasks and forms of management, aimed at increasing productivity and profitability [1].

When creating the corporate business management system it is necessary to do the following:

- Determination of the degree of singularity in the enterprise;
  - Identification of proper management levels;
- Development of mutual subordination on all levels of management;
- -Normalization of documents circulation and the development of internal information flows;
- Determine the ways of communication with external business environment;
- Development of duties and responsibilities of employees;



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- Selection and adoption of control forms, as well as the development of a model of motivation based on the results of teamwork and individual jobs.

Based on the results of the study of the internal environment of the industrial enterprise, the structure of its management, the circulation of documents and information sharing options, the options for improving the effective management of business activity of a flexible entity are developed [2]. This, in turn, ensures:

- Guiding principles Increasing the effectiveness of interaction between departments and enhancing the intellectual and creative capacity of the employees;
- Management chains redistribution of staff, recapitalization, communication between them and mutual redistribution of representative and responsibilities for the purpose of obtaining maximum commercial benefit;
- Managerial responsibilities Improving efficiency of marketing activities, strategic planning and forecasting, and long term economic and technical policies, quality control of products/services;
- Business activity wide use of communication ways, adaptability to internal and external business environment.
- The management of business activity is the development of measures aimed at increasing production volumes by reducing costs and rational use of resources. By reducing costs corporation should not affect product quality negatively.
- Business activity management should cover all aspects of the textile industry, production, commerce, marketing, and economic sectors. The effectiveness and high-result methods of each of these areas affect the final outcome of the business.
- Production efficiency depends on the efficient use of textile enterprises' resources. The effective organization of commercial activities is based on providing the enterprise with necessary resources. Marketing activities are based on research results, focusing on the market's success in finding prospective market segments, new market and consumer acquisition. In general, the economic activity of the textile enterprise is aimed at increasing the efficiency of the enterprise.

The future development of the textile industry is directly linked to the development of the knitting and sewing industry. Currently, ready-knitted garments make up about 25 percent of the total production of the products manufactured by the enterprises of "Ўзтўкимачиликсаноат" association. Together with other factors in the production of high quality sewing and knitwear, human factor plays an important role. The quality of the product and the market demand depend on the professionalism of designers and modeler who base their knowledge on marketing researches.

Production of textile, sewing and knitting industries are important parts of improving the organizational and economic mechanisms of increasing the effectiveness of managerial activity on its organizers (production, marketing, innovation, investment, management, commerce, finance) taking into account peculiarities of management activity.

To improve organizational-economic mechanism of business activity of textile and garment-knitting industries we have used the Kurt Levin approach – an American sociologist and the author of the idea. According to his approach, we have balanced economic forces.

Organizational and economic power means the ability to act on a particular activity, the state of the economy that is characterized by a certain level of tension and concentration [3].

In the process of organizing improvement methods of Business Activity in knitting and sewing industries, it is suggested to consider organizational-economic forces to be in the form of "environment-assets-liabilities", while considering external environment by each of its properties (production, marketing, innovation, investment, commerce, management, finance).

The economic mechanism incorporates the relationships, forms, methods and tools that promote the mutual interest of the subjects, which support the implementation of the social economic development plans of the subjects through economic methods. [6]

Today, under conditions of increased competition in the consumer market, the prior tasks of improving the organizational and economic mechanisms of increasing the business activity of textile enterprises through the production of flexible systems under the influence of external factors and providing competitive advantages are as follows:

- sharpening the volume of exports and overloading of the domestic market through the rational use of existing raw materials, the production of high-added-value products through the use of modern techniques and technologies in order to increase production activity in motion textile enterprises; Establishment of production of components and furnishing that is currently being supplied with imports;
- direct attraction of foreign investments for the purpose of introduction of modern technologies in production, construction of new textile enterprises, technical re-equipment and modernization of the enterprise, increase of the attractiveness of the investment environment to ensure investment activity:
- To promote innovation in all sectors of the industry in order to increase innovative activity, to create new types of products, to further improvement of fashion and design activities;
- In the purposes of further development of marketing activities on external and internal markets



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and to ensure the successful movement of textile products through the study of the dynamics of demand for textile, knitwear, sewing and porcelain industries, the organization of effective marketing management, By finding most perspective market segments, to increase success of knitting products.

• Regular monitoring of cash flows to ensure financial activity, prevention of bankruptcy. It is necessary to solve such a wide range of issues, to improve the management system of textile enterprises and to develop and implement measures to improve their business activity.

Therefore, during the research, the main directions of improving the management of business activity of the textile and garment and knitting industry enterprises were identified and their activities were elaborated.

During the research, we have developed a model for managing business activities in textile and garment-knitting industries. In our opinion, it is desirable to develop a business-management model, taking into account the peculiarities of the production process in the textile and clothing and knitting industries. This model is a model for managing business activities aimed at ensuring the sustainable development of textile and clothing and knitting industry enterprises and ensuring superior competitiveness in market transformations.

The initial hypothesis for the development of an improved business-management model is that the capacity of the textile industry increased development capacity has been largely dependent on the management activity. It should be noted that the goal of increasing the business activity of every industrial enterprise, in particular textile and garment and knitting industries in the conditions of a market economy, is to ensure sustainable growth of the enterprise together with its competitiveness. It's precise, the activity in all areas of activity is the key to achieving this goal. Meanwhile, we have to focus on management's activity, recognizing that the other components of business activity have a special place ensuring sustainable development of the enterprise.[4]

This model is intended to address the problem of improving business management in order to ensure the sustainable growth of textile and sewing and knitting enterprises. The problem's solution is the increase of management activity and the ordering its conditions.

Management activity is the type of enterprise management when it is aimed at ensuring sustainable development of the enterprise and achieving synergetic effectiveness in the joint movement of all business activity organizers. Implementation of managerial activity can be carried out only if the textile company has the appropriate management potential.

Management activity also will have effects on other business activities in the process of creating business environment for other business activities. In turn, other types of business activity also have an impact on management activity. [8]

Managerial activity is carried out through management capacities, such as organizational, structural, intellectual and social competence. While addressing the problem, Ansoff's matrix of "It's impossible to predict future/Management Objects" matrix served as a basis of improving the management activity of the textile and sewing and knitting industry enterprises, enhancing their efficiency in managing business activities. According to the base model, business activity management does not define the degree of compliance with the fourth level. [9]

Under conditions of economic instability, it is important to regularly review and analyze negative impacts and factors affecting efficiency in managing business activity. In order to make an objective assessment of such events, it is required to create a single system for controlling and regulating the business activity management system of textile enterprises. [10] With the help of the control mechanism, it is possible to identify the prospects and risks of increasing business activity in the sustainable development of textile enterprises. Only the enterprises with the state-owned share in the production of the textile industry are being monitored their activities based on their specificity and ownership. Preliminary monitoring of privatized enterprises or companies is carried out in Russia and Western Europe. [11]

Monitoring of business activity of textile enterprises can be realized at the following stages: organization of monitoring; collection and processing of business-related information in the monitoring process; finding outcomes and finding ways to resolve them. [7]

The monitoring system allows you to distinguish between all the statistical data for the object being explored and the most important for analysis. The successful selection of indicators included in the monitoring system will need to be based on the standard benchmarks, including the time factor that is based on the indicators behavior model. At the same time, it should be noted that the analytical system supporting the full support of the monitoring system is practically absent in the market. [5]

The system of incentives for employees, which plays an important role in improving the management activity of textile enterprises, is insufficient. They are not closely linked to the outcome of the enterprise's operation and do not allow them to fully reflect the potential of their employees. Therefore, we have developed a system that combines the dependence of the final payment of



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the work of the textile workers. Preparation, accounting and implementation of this system is carried out through the following stages:

- 1. Study and selection of measurement indicators.
- 2. Organization of sociological surveys and processing of results to determine the contribution of each staff to the performance of evaluation indicators that describe some aspects of the activity of the textile enterprises.
- 3. Creating an improved method of financial incentives for employees based on the results of each selected indicator to determine the significance of solving the problem.
- 4. Development, testing and implementation of the internal Regulations on Rewarding.

### ORGANIZATION OF BUSINESS MANAGEMENT AT TEXTILE ENTERPRISES

At present, domestic textile companies operate in the absence of a single legal field for managing business activities. Different forms of ownership and different taxation regimes allow many companies to use the principles of unhealthy competition in their work. The possibility of applying dumping prices and various loopholes in the Russian legislation are oriented to transport enterprises for obtaining momentary benefits. As a result, instability, uncertainty in achieving positive results of entrepreneurial activity.

The enterprises of the textile industry face the task of increasing their competitiveness and financial stability. To solve it, new approaches to the organization of systems of both strategic and operational management are required. We need a radical transformation of the forms and methods of intra-organizational behavior in the system of entrepreneurship (incentives, motives, corporate structure, etc.).

For modern medium and large businesses are characterized by multi-level management systems that cause the need for systematization of management processes, their competent administration. Properly built and well-functioning administrative management system is the core of the organization's strategic potential [12].

The tasks of developing textile enterprises as competitive and financially sustainable business entities require the development of a strategic plan as the main tool for managing entrepreneurial activities, which in the current circumstances means the construction of a new management system for textile companies (in the form of joint stock companies), adapted to the conditions of the regional market space.

In this respect, experience of effective management at the level of a joint-stock company in the region may be of some interest. An analysis of the activities of many textile enterprises shows that the effectiveness of its activities is largely determined by the system of organizational arrangements that ensure the integration of top management in the processes of strategic management.

In turn, it made it possible to identify a number of principles ensuring the improvement of the quality and efficiency of business management at the JSC level in the "owner-hired manager" aspect:

- 1) adoption by the highest management bodies of joint-stock companies of programs (targets, activities) and performance indicators of executive bodies:
- 2) ensuring the material and moral interest of top managers of companies in compliance with the rules of conducting entrusted business (established by legislation and norms of corporate ethics) and in achieving the set targets;
- 3) continuous improvement of the system of internal corporate governance standards that regulate the activities of the boards of directors, the general director and other management subjects;
- 4) the implementation and financing of the functions of effective accounting and control of the activities of managers and their results.

The implementation of the above management projects involves the development of step-by-step business processes (b/n).

The development and implementation of a new business process of entrepreneurial activity can be represented in the following sequence of stages:

The first stage is the development of the image of the future company (business direction).

The goal is to obtain and systemize information about customers, competitors, partners, suppliers, current difficulties and the life cycle of the company to determine the strategic goals and objectives for their implementation.

The second stage is the creation of an existing business process model (business inventory).

The goal is to identify and describe the business process that should be reorganized. Its identification is carried out, business processes are identified and ranked, priority is selected, the business process parameters are determined, i.e. indicators: time, price, quality for various options, both from the point of view of customers interacting with this business process, and from the point of view of the company.

The third stage is the development of a new business process.

The goal is to develop a technology for implementing this b / n, determining the requirements for the information conditions of its support, the resources necessary for its implementation.

The fourth stage is the introduction of a new business process and determining its effectiveness.

The purpose of the implementation of the b / n and its evaluation. Basic directions [13]:



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the development of information technology to support a new business process;

its limited implementation timeframe; correction of the b / n;

the introduction of a new business process within the company;

economic evaluation (effectiveness evaluation):

support for an embedded business process.

Formed business processes allow you to determine the main criteria for choosing a strategy for the development of entrepreneurial activities:

- development of scenarios, based on the goals, strategic uncertainties and opportunities / threats to the environment;
- the need to achieve sustainable competitive advantages, namely: the use of strengths of the organization or weaknesses of competitors in the market;
- compliance with organizational vision / objectives (long-term return on investment, compatibility with corporate vision / objectives);
- Feasibility (use only available resources, compatibility with internal organization);
- the relationship with other strategies in the market (reaching the balance of the "commodity portfolio", increasing flexibility, using the principle of synergy).

The development of strategies is preceded by a qualitative study of the transport services market, the parameters of which have a direct impact on both the long-term business development strategy and its current policy.

The study of the transport services market is rational in the following main areas:

- determination of the size of the market, that is, the territory serviced by a trucking enterprise with the allocation of a local market of transport services (republic, region, city, district), interregional (if this area covers several regions) and international;
- Estimation of demand for services offered by the enterprise, including determination of the level of market saturation by competing services by types of activity (replaceable, comparable);
- the availability of a shortage of available capacity;
- the market capacity for the services offered (the capacity of the market is understood to be the maximum possible volume of traffic determined in physical units or in value terms during the year);
- analysis of the market share, that is, the part of the demand that is satisfied by the forces of the given enterprise, and the dynamics of its development. The result of the analysis is the forecast of market

capacity and demand for specific types of transportation and services;

- a description of the structure of the market and its main segments (the study of consumers in the operation area of the enterprise, taking into account their geographical concentration), which involves analyzing the needs of shippers and the specifics of the demand for various services, and exploring the possibilities for expanding the market by attracting new consumers and providing qualitatively new services;
- allocation of target market segments of the enterprise;
- segmentation of the transport market breakdown of the market into separate groups of consumers of transport services, each of which may require its services, as well as a marketing mix;
- study of the main competitors carriers operating in this market, their strengths and weaknesses; comparison of services provided by enterprises-competitors, with their own for each of the main indicators of the marketing complex).

The results of these studies determine the choice of the marketing strategy. The data obtained as a result of assessing their competitiveness allows the enterprise to chart a pricing strategy for selected market segments and take timely measures to increase efficiency and (or) prevent loss-making.

### CONCLUSION

In our opinion, the managers and specialists of textile enterprises need to be assessed on the basis of the current potential of each employee. We encouraged each employee to evaluate the factors that contribute to the end result of the enterprise.

The third organizer of the Motivation System is corporate culture. It is known that the share of enterprises in the textile and knitwear industry is the largest shareholder. Therefore, one of the important factors in increasing the business activity of these enterprises is the formation of corporate culture, taking into account the interests of participants (investors, owners, managers, stakeholders) in increasing productivity in product development.

It is also important to develop a system of motivation for the motivation of each employee on the career ladder.

Thus, based on the improvement of the mechanism of motivation to increase business activity in enterprises of textile and sewing and knitting industries, the efficiency of the enterprise's final results will be ensured on the basis of satisfaction of people's labor.



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