

# FORMING A MANAGEMENT MECHANISM THROUGH FINANCIAL TECHNOLOGIES IN SMALL BUSINESS ENTERPRISES

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## Abstract

The article argues that one way to reduce financial barriers for small businesses and private entrepreneurship is to create, register and implement financial instruments, including laws, regulations and institutions that provide guarantees, credit scores and credit reports. recommendations aimed at regular strengthening and improvement of the infrastructure supporting the increase.

**Keywords:** small business, corporate, national projects, global economy, investment activity, business financing, bank's own strategy, financial strategy of enterprises, financial planning, currency policy, private enterprise, selector, devaluation, revaluation, balance of payments, interest-free loan against collateral.

## Introduction

Active participation in the country's economic development and strategic national projects, providing clients with ample opportunities to transform the infrastructure that forms networks by providing banking services in accordance with international standards is a priority. At this point, to increase the awareness of each client about network features and to increase the effectiveness of their business - corporate, small and medium, retail business activity using the most up-to-date banking tools. When choosing its strategy, the bank relies on the tasks set by the government of the republic to reform the banking sector, create a banking system, and implement changes.

The criterion for the implementation of reforms aimed at the development of small business subjects should be to solve the issues related to the financing of small business in the first place and to ensure its wide implementation by looking for ways to implement the suggestions made by industry experts.

One of the other criteria of the reforms related to the support of small business and private business entities is the intervention of neutral and targeted policies. Among the most important targeted policies, direct participation in the financial market through state-owned enterprises and selective protection of certain categories of small business entities can be. Such measures include reducing the lending rate for small business and private business entities and developing a friendly structure of small business entities.

At the same time, small businesses and private entrepreneurs usually do not have fixed assets, such as land or buildings, which are required by banks as collateral to secure loans. Instead, small businesses and sole proprietorships rely heavily on real estate for financing.

Finding alternatives to traditional collateral-based lending to ensure the necessary legal and institutional protection and using collateral registration tools allow entrepreneurs to access the resources they need to start and manage their businesses. The world's most economically successful national governments are implementing measures to support the private sector and expand small businesses. Among them are Germany, Japan, Republic of South Korea, USA and Great Britain. Based on this, it is not difficult to imagine that one of the main goals of the Republic of Uzbekistan in the future is to maximally support this high-speed locomotive of the economy.

Today, in order to further liberalize the business environment in our country, special attention is being paid to the implementation of measures aimed at ensuring their transparency and simplifying procedures related to business activities. In the first years of independence, almost no one had a private enterprise in Uzbekistan. Today, more than half of the country's gross domestic product, nine out of ten economic entities are represented by small businesses.

According to experts, private entrepreneurship plays a special role in increasing private jobs and incomes of the population - 78 percent of the employed are engaged in small business, more than 52 percent of the population's incomes generate income from entrepreneurial activities, which , indicates the great importance of this field in increasing the level and quality of human development.

It is clear from the studied foreign experiences that small business and private entrepreneurship are growing. Many ambitious people have extraordinary ideas, but often face the problem of finding funds to realize this dream. Entrepreneurs prefer to focus all their efforts on increasing their capital. They don't want to spend time and money to get a loan to start a new business.

Small businesses and private entrepreneurs in developing countries face a number of similar challenges in raising capital. The main reasons are that the sector is considered highly risky and some banks consider it risky to invest in this sector. Therefore, many countries are introducing incentives to encourage investment in the private sector.

The following proposals are recommended for solving the problems presented on the basis of foreign experiences in lending to small businesses and private enterprises :

- the government should take sufficient measures to provide business entities with a continuous source of raw materials ;
- the government should take appropriate measures to determine the minimum wages/salaries of employees of business entities . This helps to reduce employee dissatisfaction ;
- government and financial institutions allocate sufficient funds for modernization and technological development;
- infrastructure formation is an important factor ;
- introduction of the investment passport of the regions in order to stimulate the inflow of foreign investments for the development of domestic business ;
- state, financial institutions and non-governmental organizations It is necessary to take necessary measures to provide continuous financial support to promising small business and private business entities in Uzbekistan ;
- a small business and private enterprise database on national websites . K reduces

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barriers to entry of small business and private entrepreneurship into the world market;

- of funds to encourage women's entrepreneurship ;
- Providing necessary training to women entrepreneurs in rural and urban areas of Uzbekistan ;
- a bank to achieve success , it should first of all consider its most valuable " asset - its customers " . Today, the production and service industries in our country are developing rapidly. In particular, in the following years, the fields of machine building, light industry, construction products production, pharmaceuticals, food industry and other consumer goods production, as well as wholesale and retail trade, household services, hotels and tourism, transport, medicine and other services that high growth rates are being achieved the growing demand for products in the domestic and foreign markets creates conditions for banks to enter new sectors and expand the customer base ;
- The marketing policy and activities of banks should be directed to satisfy the demands and wishes of customers in all segments ;
- entrepreneurship taking into account the demand of its subjects for financial services, financing the development of entrepreneurship, revitalizing the scope and volume of microfinance services provided in the regions of the Republic as an extremely important means of increasing the employment and well-being of the population ;
- wide promotion of banking services, organization of exhibitions and seminars ;
- unemployment Directing microfinance investments with great attention to the regions with a high level ;
- preferential in order to ensure the effectiveness of microfinance resources, banks should constantly improve the work of creating relief in the possibilities of using microfinance and retail services ;
- banks' activities, especially reducing credit risk, maintaining a high quality level of the loan portfolio, ensuring an optimal ratio of profitability and liquidity in the operations being carried out.

Today, "more than 5.5 million homestead land owners have 503 thousand hectares of land at their disposal in our country. This is a huge potential and opportunity. According to statistical data, 84% of potatoes, 71% of vegetables, almost 60% of apples, grapes and fruits, and more than 94% of livestock products are produced by households." Uzbekistan has 158 rural districts, 29 medium and large cities, 6 large districts and 25 border districts. Therefore, based on population size, geographical location, economic potential, we think that it is necessary to develop separate programs and organize lending in each district and city based on a new approach in the regions.

In the future, we believe that the implementation of the following can make a significant contribution to the development of small business entities:

1. Improving the incentive system of banks and financial institutions to pay special attention to small business entities;
2. Expanding tools for refinancing small business entities;
3. Expanding the training of officials involved in financing small business entities ;
4. Development of information bank of small business subjects ;
5. Expansion of interest-free loans against collateral ;

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6. information dissemination and business consulting services for small businesses and private entrepreneurs ;

Financing and support of small and medium-sized businesses mainly includes performance diagnostics, implementation support mechanism, global promotion and sharing of best practices. They are done by:

- assessment of the financial sector allows to increase the responsible financial capabilities of small business entities to determine the directions for improvement of regulatory, legal and political aspects;
- support the implementation of initiatives such as creating a favorable environment, developing and creating credit guarantee schemes;
- improvement of the credit infrastructure (credit reporting systems, guaranteed operations and collateral registers, and solvency), which can lead to a wider use of credit by small business entities;
- introducing innovations in SME finance such as e-lending platforms, use of alternative data for credit decision-making, e-factoring and supply chain financing.

Based on the conducted scientific research and best foreign experiences, there are several ways to solve the problems related to the improvement of lending practices by banks to business entities, and to apply them in the banking system of Uzbekistan. can be highly effective.

Small business analysis by activity shows that due to the lack of diversification, the main section of the statement of cash flows is "Operating activities", because it is in the main activity that most require effective planning, analysis and control. 'p operations are performed.

Implementation of financial planning is inextricably linked with conducting financial analysis and forecasting the results of small business enterprises. To solve this problem, it is necessary to study the dependence of sales revenue on the main items of the balance sheet asset based on the economic-mathematical model based on the type of economic activity. this, in turn, allows to take appropriate measures to improve the efficiency of cash flow management of small business enterprises in the field of operational activity.

Cash flow management is the most important for small business enterprises in terms of financial management methods for objects. Reflecting the actual situation with solvency, cash flows allow analysis, planning and control of the financial situation of the entire organization. A statement of cash flows allows its users to assess changes in the financial position of a business entity, providing them with information about how much money came in and how much money went out during the reporting period. We believe that the statement of cash flows should provide information on the cash flows received by the business entity as a result of operational, investment or financial activities during the reporting period.

Active participation in the country's economic development and strategic national projects, providing clients with ample opportunities to transform the infrastructure that forms networks by providing banking services in accordance with international standards is a priority. At this point, to increase the awareness of each client about network features and to increase the effectiveness of their business - corporate, small and medium, retail business using the most up-to-date banking tools. When choosing its strategy, the bank relies on the tasks set by the government of the republic to reform the banking sector, create a banking system, and implement changes.

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The conclusions presented in many researches conducted by professional scientists were analyzed and summarized. Based on them, in our opinion, entrepreneurship is an essential element of business, and its development serves to organize business. Entrepreneurial activity appears as a form of business and is carried out in various contexts. If business means making money and increasing it, entrepreneurship means making and increasing income through creative economic activity. The methods of financial management in small business enterprises make it possible to generate funds from various sources in the amount necessary to achieve strategic goals, taking into account all the costs of selling products, providing services and performing work.

Currently, in economically developed countries, indirect support methods are used more than direct financial support methods for small business entities;

Small and medium-sized enterprises make up the majority of enterprises worldwide, creating new jobs and making an important contribution to global economic development. They provide nearly 90 percent of businesses and more than 50 percent of employment worldwide. Also, formal SMEs contribute up to 40 percent of national income in developing countries. According to World Bank experts, 600 million jobs are expected to be created by small and medium-sized enterprises by 2030, making the development of small and medium-sized enterprises a priority for many countries in the world.

One of the important issues in ensuring the stability of the activity of small business enterprises is the effective organization of financial relations, in particular, the rational use of sources of attracting financial resources, increasing investment activity, effective management of financial risks, and the wide introduction of modern methods of financial management. Indicators of entrepreneurial activity of small business enterprises should be classified based on criteria such as economic potential, financial stability, competitiveness, market activity and social activity. This classification allows determining the overall efficiency of small business enterprises in terms of entrepreneurial activity.

In short, the implementation of the developed scientific-theoretical recommendations in the strategy and concept of poverty reduction in Uzbekistan until 2030 will open new jobs, solve the employment problem and reduce poverty, in exchange for the well-being of the population, the standard of living and helps to implement the tasks aimed at raising the quality .

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