

INCREASING THE EFFICIENCY OF SMALL BUSINESS SUBJECTS IN THE SPHERE OF PUBLIC PROCUREMENTS THROUGH THE DIGITALIZATION OF BUSINESS PROCESSES

Jaksilikova Umida Kalbay qizi

4th year bachelor's student

Faculty of Innovative Technologies and Business

University of Innovative Technologies

Annotation: *The article presents the digitalization of business processes through public procurement of small businesses and private businesses. The role of small business in the national economy, as well as its digital transformation, which is carried out by the authorized body on a special information portal, which ensures openness, monitoring, and interaction with other electronic systems, are considered.*

Key words: *digitalization, business process, public procurement, procurement procedure, soum procurement criteria, tenders.*

Introduction. The history and modern practice of economic development in most countries clearly demonstrate the role of small business in the national economy. The importance of small business in ensuring the mobility of resources, employment and innovative development of the economy has been repeatedly emphasized in studies by both domestic and foreign economists. For example, in the US, small businesses provide 53% of employment in the economy, and in Japan - 71%. Also in developed countries, the share of small businesses in the formation of GDP accounts for 50-60% of real GDP. However, not in all countries small business occupies a leading position in the development of the economy. The presence of institutional problems such as corruption, oligopoly and the absence of a normal investment climate are a serious obstacle to starting a business. In the conditions of the formation of the new Uzbekistan, special importance is attached to the development of small business and private entrepreneurship, increasing the potential of small businesses in the regions based on modern requirements. In the Presidential Decree of February 28, 2023 "On the state program for implementing the Strategy for the Development of New Uzbekistan for 2022-2026 in the Year of Care for People and Quality Education",

one of the main tasks is to implement measures to improve the quality of service in the system of state services for entrepreneurs. Also, in order to continue systemic work on corporate governance in state-owned enterprises and state unitary enterprises, a Presidential Decree was adopted on March 1, 2023 "On measures to accelerate the process of reforming enterprises with state participation", which is a prerequisite for effective functioning of any economic system. The most important component is the development of public procurement, their electronization and digitalization. So, with the entry into force of the Law of the Republic of Uzbekistan No. ZRU-684 "On Public Procurement" dated April 22, 2021, the scale and capacity of the market where they can be active is gradually expanding. The latest IT technologies allow them to observe from anywhere in the country in real time the course of the trades they are interested in. The Center for the Promotion of Products of Small Business Entities provides support to business entities in terms of advising them on issues of both public and corporate procurement, their interaction with the exchange, customers, customers and the Government Commission on Corporate Procurement. The State Committee of the Republic of Uzbekistan on Privatization, Demonopolization and Development of Competition is the working body of the Government Commission established for e-procurement of business entities.

Methodology. The study was formed on the basis of the fundamental methodology of scientific knowledge in determining the factors of digital transformation of business processes of small businesses and determining the level of their significance using the methods of induction and deduction, dialectical unity, interdependence of theory and practice, comparison and analogy. In the course of the study, a structural-dynamic analysis was carried out using a systematic approach.

Analysis of knowledge. The increase in the efficiency of small businesses is revealed in the works of such international researchers-economists as: R. Malikov, A.V. Vilensky, P. Myagkov, S. Fesenko and others, who considered the development of entrepreneurship with a transitional economy. In Uzbekistan, a special place is given to such economists as S. Gulomov[3], Y. Abdullaev, Sh. Yuldashev[4], A. Yugay, S. Toshaliyeva, B. Khodiyev, B. development and forecasting of trends, as well as prospects for the socio-economic development of small businesses.

Analysis results. The development of the digital economy and the transition to an electronic format is a positive incentive for the development of all sectors of the country's economy. Today, the formation and development of a new technological generation of the digital economy dictate new approaches to procurement and its management. One of the key points of the state's procurement activities is the development of the management system in general, procurement management in particular and the digitalization of the procurement process itself.

The development of digital procurement management strategies is justified by many factors. In the context of the digital economy, it firstly depends on the legal regulation of the digital economy itself, which is a system of views, principles and priorities in the field of legal regulation of relations arising in connection with the development of the digital economy and is aimed at creating regulatory conditions for the existence and development of the digital society as a society based on the digital method of production and circulation of goods, works and services aimed at the development of the digital economy.

Government customers are currently facing a lot of problems such as:

- Maintaining a unified register of contracts
- The procedure for placing an order;
- Calculation of the initial maximum contract price;
- Placement of order terms;

Selection of the best offers, etc

When carrying out public procurement, the priorities of socio-economic policy are taken into

account, including the creation of high-tech and innovative industries, and the preservation of a favorable environmental situation.

If at least three domestic manufacturers participate in public procurement of goods (works, services) along with foreign suppliers, these domestic producers may be provided with decrees and resolutions of the President of the Republic of Uzbekistan benefits and preferences used in the evaluation of proposals, unless otherwise provided by international treaties of the Republic of Uzbekistan.

State procurement of goods (works, services) necessary to meet the needs of the Republic of Uzbekistan may be carried out jointly with foreign states. The procedure for such public procurement is determined by an international treaty of the Republic of Uzbekistan [1].

As a result of the measures taken aimed at further improving the system of supporting entrepreneurship and improving the business climate, on the basis of resolutions and decrees adopted by the President of the Republic of Uzbekistan, as well as the attention paid to this area, 424,073 small enterprises and microfirms were created in 2018-2022. It should be noted that the largest number of new entities was created in the field of trade - 156,069 (or 36.8%), services - 99,198 (or 23.4%), industry - 84,830 (or 20.0%), agriculture , forestry and fisheries - 51,752 (or 12.2%), construction - 32,224 (or 7.6%).

An important factor for assessing the "health" of the country's economy is the effective functioning of small businesses, which is an indicator of its flexibility and ability to adapt to a constantly changing economic situation.

So, in January-December 2022, the number of newly created small businesses decreased by 8,709 units. compared to the corresponding period in 2021.

When analyzing this indicator by type of economic activity, it can be seen that in the trade sector it decreased by 4,075 units, industry - by 3,094 units, construction - by 1,535 units, accommodation and food services - by 809 units, and in the transportation and storage industry, it increased by 713 units. [6].

In recent years, Uzbekistan has gone through an accelerated transformation of the economy and is increasingly featured in the international community as one of the symbols of openness, innovation and determination in removing various barriers to business and investment.

Effective cooperation between the state and business is carried out in Uzbekistan. Based on Article 61 of the Law “On Public Procurement”, one can see the soum procurement criteria.

Table 1

Soum criteria by types of purchases¹

Procurement type	Subject of procurement	Budget customers	Corporate customers
		*BCV	*BCV
Direct purchases	Product, work and service	Under one contract up to 25 (7 500 000 soum)	Under one contract up to 50 (15 000 000 soum)
		within one financial year up to 500 (150 000 000 soum)	within one financial year up to 1000 (300 000 000 soum)
*BCV-basic calculated value			

The public procurement process includes the following steps:

- planning of public procurement;
- implementation of procurement procedures;
- conclusion and execution of the contract;
- monitoring of public procurement.

It is allowed to implement projects included in the Investment Program of the Republic of Uzbekistan and other state programs on a turnkey basis using the fast-track method (simultaneous design, procurement and construction work) in accordance with decrees and resolutions of the President of the Republic of Uzbekistan.[1]

Bidding has UZS limits based on the Law on Public Procurement, which can be viewed in the following table-2.

A special information portal is a website (special electronic platform) maintained by an authorized body that provides electronic viewing of information on public procurement announcements, public procurement results, proposals of

¹ <https://xarid.uzex.uz/info/criteria-for-purchases>

participants and other information provided for by law, as well as the collection of information entered (sent) by operators of electronic public procurement systems on conducted electronic public procurement.

Table 2

Soum limits by types of trades²

Type of purchase	Subject of procurement	Budget customers	Corporate customers
		*BCV	*BCV
E-shop (2 days)	Product	up to 2 500 (750 000 000 soum)	up to 25 000 (7 500 000 000 soum)
	work and service	Up to 50 (15 000 000 soum)	up to 100 (30 000 000 soum)
	similar goods	Within one financial year up to 10 000 BCV (3 000 000 000 soum)	—
	similar works, services	Within one financial year up to 500 BCV (150 000 000 soum)	Within one financial year up to 1 000 BCV (300 000 000 soum)
Auction (5 working days)	Product	up to 6 000 (1 800 000 000 soum)	up to 25 000 (7 500 000 000 soum)
Selection of the best offer (at least 5 working days)	Product, work and service	up to 6 000 (1 800 000 000 sooum)	up to 25 000 (7 500 000 000 soum)

² <https://xarid.uzex.uz/info/criteria-for-purchases>

Tender (not less than 12, not more than business days	Product, work and service	6 000 over (1 800 000 000 soum)	25 000 over (7 500 000 000 soum)
Framework agreement	Product, work and Service	-	25 000 over (7 500 000 000 soum)
*BCV-basic calculated value			

A special information portal provides:

A special information portal systematizes the processes of planning public procurement, implementing procurement procedures, concluding a contract, monitoring and controlling public procurement.

Payments for public procurement of budget customers are made in the prescribed manner by the Treasury of the Ministry of Finance of the Republic of Uzbekistan after the completion of the planning of public procurement, the implementation of procurement procedures, the conclusion of an agreement and the placement of information about them on a special information portal.

Breakthrough digital technologies can solve these problems. Firms that fail to adapt to the demands of the digital client are the fastest to fail and cease to exist. They will be supplanted by companies implementing high-tech production and advanced services and, therefore, customers will choose them. Since traditional companies are not able to meet the requirements of every customer, this allows more innovative organizations that take advantage of the digitization of business processes to successfully compete in the market and provide exceptional digital products and services.

Conclusion. A digital business can be built from scratch, or it is possible to change an existing one. On the one hand, launching a digital business requires technological competencies and involves high risk, as there is no ready-made solution, you have to “grope” for the right path, make forecasts. On the other hand, the digital transformation of an existing company sometimes requires a radical transformation - the elimination of the existing business model.

Regardless of which path the company chooses - business transformation - if the company's goal is to become a leader in the chosen field of activity, it will have to adequately respond to new challenges, test new business models by trial and error, take a broader look at the ongoing processes of digital transformation in the world, adopt the experience of world leaders and, most importantly, be flexible, be able to change and quickly adapt to new conditions.

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