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# The Ways of Managing Business Activities in the Territorial Construction Network

#### B. K. Abdusamatov

Candidate of Economic Sciences, Associate Professor of the Department of "Construction Economics and Management" at the Samarkand State Architecture and Construction University

### Sh. G.Zokirov

Graduate student of Samarkand State Architecture and Construction University, majoring in "Business Management"

**Annotation:** This article is devoted to solving the problems of effective business management in the construction industry in the regions, and what areas should be taken into consideration in order to further improve entrepreneurship in construction and based on the development of the private sector in construction, as well as the introduction of a cluster model in the construction of the region allows to effectively manage entrepreneurial activity in the construction industry.

**Key words:** construction, entrepreneurship, cluster, competition, construction industry, construction product, strategy, innovation, risk.

**Introduction.** Currently, one of the main tasks for enterprises in the construction industry in the regions is to ensure the economy of the region, its development and the competitiveness of construction enterprises in the region. The modern trends of regional economic development are characterized by the variety of business forms with different organizational-legal status and ownership forms.

Until today, the development of entrepreneurship has been one of the priority directions of the development of the economy of any country. Currently, the urgency of supporting and developing entrepreneurship is related to the state's assistance.

Entrepreneurial activity is aimed at solving the most important tasks of the state:

- reducing unemployment;
- > filling part of the budget;
- > meeting the basic needs of the population;
- improvement of product quality.

The activities carried out by entrepreneurs lead to the development of the economic, investment, social and innovation policy of Samarkand region.

The construction industry is a developed system of construction industries differentiated by individual enterprises that also carry out entrepreneurial activities. Entrepreneurship is an economic activity aimed at making a regular profit from the production or sale of products and services. In the course of business activity, economic structures are established, and new technologies are introduced based on effective use of resources and modern methods of business in order to obtain maximum profit. Today, all areas related to construction are improving their

economic potential, that is, construction companies are increasing the number of objects and the volume of work.

"The annual need for housing construction in our republic is 145,000 houses. About 30 trillion soums will be needed to build these houses. This figure is more than 23% of the total state budget.

Therefore, the entire state budget cannot be allocated to one construction sector. Taking this into account, the public should fully satisfy the needs of the population for housing without the participation of the private sector. Taking this into account, President Sh.M. Mirziyoev noted that one of the main issues is the introduction of market mechanisms to the mortgage market in order to satisfy the needs of the population for housing and to improve the construction industry, and to increase the position of the private sector (entrepreneurship) in the field [1].

In our opinion, entrepreneurship means the effective use of human resources and labor, which consists of the ability to use all factors of production.

Entrepreneurship is an integral part of the market economy, characterized by the presence of free competition.

Entrepreneurship determines that the purpose of business activity is to perform a general economic function, that is, to produce goods (provide services, perform construction works) and provide them directly to consumers.

Therefore, it is an urgent issue to carry out scientific research aimed at the sustainable development of construction material manufacturing enterprises based on the creation of new types of high-quality, competitive and energy-saving materials based on local raw materials.

Decree - 4525 of the President of the Republic of Uzbekistan dated November 20, 2019 "On measures to further improve the business environment in the country and improve the system of entrepreneurship support", Decree - 4862 of October 13, 2020 "On additional measures to involve the population in entrepreneurship and improve the system of entrepreneurship development", Decree - 150 of June 9, 2022 "On additional measures to further improve the activities of the State Fund for the Support of Entrepreneurial Activities - measures", Decree - 21 of February 10, 2023 "On criteria for categorizing business entities and measures to further improve tax policy and tax administration", Decree - 43 of March 25, 2023 "On amendments and additions to certain documents of the President of the Republic of Uzbekistan and the Government of the Republic of Uzbekistan in connection with the improvement of the activities of the State Fund for the Support of Entrepreneurial Activities" and other normative legal documents. serves to a certain extent in the development of activities and implementation of effective management.

Adopted decrees and decisions are mainly aimed at the successful implementation of economic development programs of the regional construction network, innovations, investments, effective use of labor and material resources, and increasing the potential of business activities in the construction network.

Analysis of the literature on the topic: In developed countries, goods and services produced in the field of entrepreneurship constitute a significant share of exports and gross national product, it is here that many jobs are created, that is, today entrepreneurs are considered the main element of stable political and financial-economic development, both national and can be called the locomotive of economic growth of regional economies.

The organization of entrepreneurship and entrepreneurial activities there are so many prepared scientific works and published articles. Including A.N. Asaul defines it as follows: "Entrepreneurship is a special type of economic activity, the essence of which is to stimulate and satisfy the demand for the specific needs of society, by disrupting the market equilibrium by gaining competitive advantages, its members have an important feature such as innovation that leads to the disruption of the market equilibrium. uses for its activities in business [2].

From the theoretical point of view of entrepreneurship in general, every enterprise has goals and strategies that guide its entrepreneurial activities. Defines the main directions of search for market opportunities for the development of strategic-purpose complex business activities, keeps expenses within the planned framework, determines the number and qualifications of employees. Each employee has the goal of developing entrepreneurial activity, the strategy developed and adopted by the enterprise forces employees to align their personal goals with the common goal, personal strategies with the common strategy [3].

Entrepreneurship is a special type of economic activity based on innovation and risk. Innovative goals cover the reproduction process as a whole or a separate part of this process, while they are aimed at obtaining entrepreneurial income [4].

E.M. Korotkov believes that the development of the enterprise's business activity is a consistent and purposeful process of changing its quality [5].

Currently, we believe that the development of entrepreneurship in construction enterprises can be achieved only with the continuous introduction of innovations. M. Porter defined the role of innovation in companies' achievement of competitive advantage as follows: "...the company gains competitive advantage through innovation. They approach the newly introduced order - rules using both new technologies and new working methods in a broad sense. Once a company has gained a competitive advantage through innovation, it can maintain that advantage only through regular improvements.

Competitors will immediately and certainly bypass any company that stops improving and introducing innovations" [6].

Thus, in order to solve the problems of entrepreneurship in the construction complex, support and control by the state is necessary. For its further development, it is necessary to solve the problems of modernization and renewal of construction machinery, rational structure of investments in fixed capital, effective operation of the investment and construction sector, effective housing policy [7].

Entrepreneurial activity is an activity carried out by subjects of the market economy on the basis of certain criteria established by laws, state authorities and management bodies or other representative organizations [8].

The question of the role of small enterprises in the modernization of the economy N.Ya. Golovetsky and V.N., also studied by the Golovetskys. In their opinion, the significant potential of small business in this regard is being underutilized due to the passive nature of state support and insufficient innovation incentives for entrepreneurs. [9].

The purpose of development of entrepreneurial activities in construction enterprises is to realize the result of future construction activities that the enterprise wants to achieve with its own efforts.

The strategy for the development of entrepreneurship in construction enterprises is a set of political and economic guidelines and long-term action programs planned to achieve the goal of development.

The purpose and strategy of the enterprise's business development is a single complex, because the purpose not only determines the strategy, but the strategy also greatly affects the determination of the purpose. Thus, the achievement of certain specific goals can be achieved through certain specific strategies, but the enterprise does not always allow its potential to apply these strategies. If the potential of the enterprise does not allow creating the necessary conditions for the development of entrepreneurial activity, then not only the strategy, but also the goal should be revised.

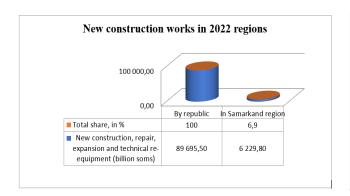
**Research methodology:** in the coverage of the scientific article relevant laws of the Republic of Uzbekistan, decrees and decisions of the President of the Republic of Uzbekistan, decisions of the Cabinet of Ministers, fundamental works on the development and improvement of small business and private entrepreneurship, domestic and foreign scientists-economists dedicated to the issues of

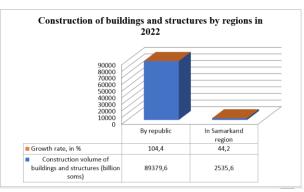
further development of small business and private entrepreneurship in construction work and research.

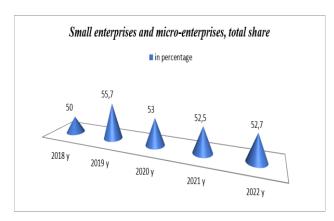
Analysis and results: In recent years, special attention has been paid to the development of entrepreneurship in construction, as well as in all areas, in the regions of the republic. As a result of the decrees and decisions of the President of the Republic of Uzbekistan aimed at further improving the system, the adopted state programs, ensuring their implementation, the measures being taken to increase the efficiency of reforms in the network, the scope of reforms in the network is expanding more and more. Only Decree №60 of the President of the Republic of Uzbekistan dated January 28, 2022 [1] indicates that today the ground is being created for the adequate development of the construction production process in our Republic, namely:

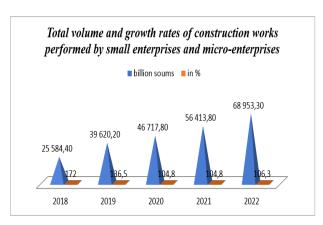
In 2023, in order to develop "New Uzbekistan" massifs and meet the population's demand for housing:

In the "New Uzbekistan" massifs and 161 other massifs, including the annual volume of construction of new houses by private private contracting organizations, increased by 1.6 times to 90 thousand, mortgage loans based on market principles to 32 thousand citizens, as well as, allocating sufficient funds from the state budget to allocate subsidies to cover a part of the initial contribution and interest payments to 11 thousand citizens, to increase the authorized fund of the company to the equivalent of 100 million US dollars to issue and place mortgage bonds of JSC "Uzbekistan Mortgage Refinancing Company" on international and local stock exchanges. It shows that grounds are being created for further development of business activity in construction.









The volume of construction works performed by small enterprises and micro-firms by region in 2022. In 2022, compared to 2021, their share was 52.7% (percent) of the total construction works, which is 0.2% (percent) more than in 2021. Thus, the total volume of construction works performed by them was 68953.3 billion soms, and the growth rate compared to the same period of 2021 was 106.3% (percent).

Small enterprises and micro-enterprises, total share:

## **Conclusions and suggestions:**

The main directions of development and formation of the system of state support and regulation of entrepreneurship in the context of the development of the construction process are as follows:

- > creation of regional programs for the development and support of the construction process, organization of construction works and reorganization of the management system;
- construction process information-mediating, marketing and social services; to facilitate the development of entrepreneurship in construction activities by simplifying tax and financial reporting; development of equipment, production buildings, construction infrastructure, i.e. electricity and gas supply, transport and information networks, Internet, social protection;
- use of strategic management methods based on the application of innovative measures to the activity of construction enterprises

In order to develop a management strategy of a construction enterprise in the region, it is necessary to study the factors affecting it. In our opinion, these factors may be:

- legislative and regulatory documents related to the development of the network;
- innovation policy in the network;
- ➤ the ability to manage construction product quality and competitiveness, pricing and payment policy;
- > teaching marketing activities to participants of the international construction market;
- determination of market capacity by types of construction products;
- regular and systematic study of regional construction market systems;
- improving the effective mechanism of production of construction products and their quality improvement;
- Analysis of the sources of obtaining construction techniques and technologies.

What are the main challenges in effectively managing the construction network in the region:

- ➤ that the construction products market is not well analyzed;
- ➤ lack of effectiveness of marketing research measures;
- excessive expenditure on construction works;
- lack of good analysis of competitors' actions;
- insufficient maintenance of the support mechanism for the release of construction products to the market:
- > Existence of various production problems in production and service in construction enterprises.

One of the effective ways to effectively manage the construction network in the regions is to organize clusters in this network, that is, in business activity.

Construction clusters have a number of distinctive features compared to regional clusters in other industries. When creating a construction cluster, the basic rules of the cluster concept should be taken into account, which include:

- ➤ the construction and related enterprises that make up the cluster have the opportunity to share costs related to the use of the same resources;
- > geographical proximity of enterprises allows to reduce transport and communication costs;

➤ The concentration of enterprises in the region contributes to the spread of tacit knowledge, that is, the personal experience and knowledge of the employees of the firms included in the cluster.

It is clear from the above considerations that the main link of the cluster development in the construction complex is the largest competitive business entity (the chain of business entities "supplier (suppliers) - manufacturer (builders) - market - customer") is called the core of the cluster model, and the cluster is organized in the construction network we believe that the construction complex will be effectively managed after completion.

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