

Article

# Current State of Production Activities at The Enterprise

Usmanov Ilhom Achilovich

1. Professor Samarkand State Architectural and Construction Institute, Uzbekistan
- \* Correspondence: [ilxomusmanov1955@gmail.com](mailto:ilxomusmanov1955@gmail.com)

**Abstract:** This article examines the analysis of general production indicators, increasing production volumes, sales of products, distribution channels, a complex of production relations, meeting public needs for material and non-material goods, the efficiency of production organization, reflection and consumption of goods and services.

**Keywords:** Enterprise, Production, Sales, Goods, Competition, Efficiency, Need, Market

## 1. Introduction

In the third priority of the Development Strategy of the Republic of Uzbekistan for 2022-2026, rapid development of the national economy and ensuring high growth rates, "... creation of conditions for the organization of entrepreneurial activity and formation of permanent sources of income, the share of the private sector in the gross domestic product to 80 percent and increasing its share in exports to 60 percent. Improving the activity of existing structures for supporting entrepreneurship, reducing unemployment and poverty in the regions" such priority tasks are also considered as one of the guarantees for the development of small business and private entrepreneurship.

The main raw material is cotton yarn purchased from cotton spinning mills in the Republic of Uzbekistan. In the absence of cotton yarn of the required numbers, a semi-finished product is purchased instead - raw knitted fabric. The materials, components and spare parts for the equipment required for production are mainly purchased in the CIS and other foreign countries, mostly in China and the Russian Federation. Sewing threads and elastic rubber are purchased in the Republic of Uzbekistan.

Analysis of literature on the topic. In the economic literature, there are many different views on the essence and concept of efficiency, as well as its various criteria and indicators are classified. Many authors emphasize that efficiency is a relative indicator and recommend that it be determined by the ratio of costs to the obtained (achieved) result.

It is necessary to acknowledge the scientists who made a great contribution to the development of the theory of marketing in the economy, while the researches conducted in the field of marketing in our country for many years stemmed from national characteristics. These include M. Mukhammedov, M. Pardaev, R. Ibragimov, Y. Abdullaev, A. Saliev, M. Sharifkho'jaev, B. Khodiev, K. Mirzayev, SH. Ergashkhodjaeva, SH. Musaeva and others can be included.

## 2. Materials and Methods

This study utilizes a comprehensive analytical approach to evaluate the efficiency of production activities within the enterprise. The primary data sources include production metrics, sales figures, and distribution data, collected from the enterprise's internal reports over the last five years. To assess the performance, both quantitative and qualitative analyses were employed.

First, a regression model was used to examine the relationship between production volume and sales growth, with a focus on identifying key factors that influence

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production efficiency. Statistical tools, such as correlation and variance analysis, were applied to the data to assess the strength of these relationships. Furthermore, qualitative insights were drawn from interviews with key stakeholders within the company, which helped to identify challenges and opportunities in the production processes.

### 3. Results

The main products of Samarkand-apparel LLC are currently knitwear for various consumer groups. In recent years, the level of output in physical and monetary terms has been uneven. The conducted analysis of production volumes and sales of products confirms this fact (Table 1).

**Table 1.** Volume of production and sales of products by LLC "Samarkand-apparel" in kind and monetary terms.

No.	Name of the indicator	Unit of measurement	Production volume			
			2020	2021	2022	2023
1	Volume of knitwear production in physical terms	thousand pieces	511,0	1003,0	1211.2	1179,0
2	Growth rates					
	- chain	%	100	196.3	121.0	97.3
	- basic	%	100	196.3	237.3	230.7
3	Production volume in monetary terms	million sum	62190	71490	477585	278348
4	Growth rates					
	- chain	%	100	115	6.7 times	58.3
	- basic	%	100	115	7.7 times	4.5 times
5	Sales volume in monetary terms	million sum	11320	40363	491120	290674
6	Growth rates					
	- chain	%	100	356	12.2 times	59.2
	- basic	%	100	356	43.4 times	25.7 times

Source: (Company information)

From the analytical calculations of this table, we can conclude that the production of knitwear in physical units has been steadily increasing over the past 3 years. Thus, in 2022, the production volume amounted to 121% of the 2021 volume, and in 2023, 97% of 2021. In general, over the period 2020-2023, the production volume increased by 131%. The production of knitwear in monetary terms is also characterized by significant fluctuations. In 2021, output increased more than 2 times. In 2022, we are seeing a rapid increase in production, which is associated with large orders for the company's products, that is, it amounted to 670% of the 2021 volume, and in 2023, production volumes decreased and amounted to only 58.3% of the 2022 volume. It should be noted that if in physical terms the production volume decreased by only 2.7%, then in monetary terms the decrease was over 41%. The sales volume of Samarkand-apparel LLC is also characterized by constant growth, only in 2023 there was a decrease in sales by 40.8%. In general, over the past 4 years, the sales volume of products has increased more than 25 times, which indicates the strengthening of the position of Samarkand-apparel LLC in the knitwear market.

Based on the analysis of general production indicators, it can be concluded that Samarkand-apparel LLC solves its problems both through the constant growth of prices for manufactured products and through an increase in production volumes.

The company sells its products both directly and through multi-level distribution channels. Table 2 shows the structure of sales of consumer goods of Samarkand-apparel LLC through various distribution channels.

**Table 2.** Structure of sales of LLC products“Samarkand-apparel”by distribution channels

No.	Directions of product sales	Volumes and structure by year			
		2022 year		2023 year	
		Amount million sum	%	Amount million sum	%
1	Regional wholesale and retail fairs	3388	0.69	2122	0.73
2	Special consumers and government agencies	326545	66.49	183386	63.09
3	Brand stores	19252	3.92	9272	3.19
4	Organized trade enterprises	9380	1.91	3285	1.13
5	Wholesale entrepreneurs	131914	26.86	92114	31.69
6	Retail entrepreneurs	638	0.13	494	0.17
	Total	491120	100.0	290674	100.0

Source: (Company information)

As the data show, the market of special consumers and government agencies amounted to 66.4% in 2022, and 43% in 2023 of the total sales volume. The enterprise needs to pay more attention to retail entrepreneurs, since today this category is the most dynamically developing part among intermediaries.

Based on the fact that the design capacity of the enterprise is 7814 thousand pieces of products, the level of utilization of production capacities decreased from 34.1% in 2020 to 23.6% in 2023. In addition, part of the knitting production capacity is idle due to the lack of raw materials.

**Table 3.** Analysis of raw material receipts for LLC“Samarkand-apparel” for 2021-2023

Item No.	Name of materials	Unit of measurement	Volume of deliveries			Volume 2023 to 2021 (%)
			2021	2022	2023	
1	Cotton yarn 54/1	tn.	312.6	116.2	116.9	37.4
2	Cotton yarn 20/1	tn.	12.62	-	-	-
3	Cotton yarn 14/1	tn.	92.10	62.3	43.2	46.9
4	The canvas is harsh	tn.	-	62.9	52.0	-
5	Bleached canvas	tn.	-	2.1	-	-
	Total received	tn.	417.32	242.5	212.1	50.8

Source: (Company information)

The main suppliers of raw materials for LLC“Samarkand-apparel” were:

In 2021 - Bukhorotex JSC, Gizhduvoni JSC, Rishtan JSC, DPKP Bofanda-Textiles;

In 2022 – JSC Gijduvony, DPKP Bofanda-Textile, TD Bofanda-Triko, the Ministry of Internal Affairs of the Republic of Uzbekistan;

In 2023 - Gizhduvoni JSC, Korakul-Tex JV, Chind-Tukimachi JV, Toshkent-Tukimachi JV, CF-Tex JV.

From the above, we can conclude that the company often changes its suppliers. Thus, in 2022, it paid great attention to its subsidiaries and trading houses, and in 2023, LLC“Samarkand-apparel” is more focused on joint ventures.

Assortment policy of LLC“Samarkand-apparel” is mainly focused on the production of knitted underwear, which can be seen from the following table (table 4)

Table 4

Structure of manufactured products of LLC“Samarkand-apparel” in kind and monetary terms for 2021-2023.

No.	Name	2021 year		2022 year		2023 year	
		Quantity, thousand pcs.	Amount thousand sum	Quantity, thousand pcs.	Amount thousand sum	Quantity, thousand pcs.	Amount thousand sum
<b>Women's underwear</b>							
1	Cotton trousers	45	8926	13.9	6510	4.1	2547
2	Cotton panties	106	12338	17	3049	14.7	4224
3	Brushed trousers	2.9	1588	-	1	-	-
4	Shirts	-	-	-	102	0.8	2037
5	Women's jumper	-	-	-	-	-	19
	<b>Total</b>	<b>153.9</b>	<b>22852</b>	<b>31</b>	<b>9662</b>	<b>19.6</b>	<b>8827</b>
<b>Men's underwear</b>							
1	Men's set (m/tr)	-	-	1	334	1,1	592
2	Men's briefs	27.5	3406	24	5313	10	2070
3	Men's fleece underwear	314.6	210603	186	184344	138	186052
4	Men's cotton underwear (f/k)	152.5	73992	56	38525	110	100874
5	Men's footer underwear.	85.2	61210	26	27813	-	-
6	Men's set	1.3	280	1	61	-	-
7	Special clothing	-	-	-	-	2.5	5078
	<b>Total</b>	<b>581.2</b>	<b>349491</b>	<b>294</b>	<b>256390</b>	<b>277.6</b>	<b>315135</b>
<b>Sports underwear</b>							
1	Cotton T-shirts	153.4	61690	216	117348	20.2	9285
2	Sweatshirts	11	4150	72	57863	25.3	43513
3	Special clothing	-	-	-	-	0.7	303
	<b>Total</b>	<b>164.4</b>	<b>65840</b>	<b>288</b>	<b>175211</b>	<b>46.2</b>	<b>53101</b>
<b>Children's underwear</b>							
1	Children's set. Girls	13	1150	36	3082	34.2	4843
2	Cotton T-shirts	34	4931	7	824	1.0	275
3	Cotton panties	114	95004	68	5090	12.4	1340
4	Cotton romper	96.5	10003	28.35	4538	26.6	5008
5	Sliders combed	100	20686	104	514813	39.0	13599
6	Children's sweatshirts.	1.5	365	20	4473	0.8	185
7	Children's set. Small.	-	-	10	920	-	-
8	Nursery set	-	-	3	531	6.0	1778
9	Romper suits for newborns.	-	-	1	218	-	-
10	Cotton fleece trousers.	-	-	1	198	0.3	103
11	Set of fuf/shorts	-	-	-	-	0.8	185
12	Pajamas	-	-	-	-	1,2	917
	<b>Total</b>	<b>385</b>	<b>38422</b>	<b>279</b>	<b>40510</b>	<b>122.3</b>	<b>28233</b>
	<b>Total linen</b>	<b>990</b>	<b>476619</b>	<b>890</b>	<b>481773</b>	<b>465.7</b>	<b>405896</b>
<b>Outerwear knitwear</b>							
1	Cotton trousers	8.4	2340	0.2	103	0.4	263
2	Cotton jumper	73.2	57902	57	53866	0.2	232
3	Brushed trousers	0.4	400	3	3513	-	-
4	Shorts	-	-	0.5	207	-	-
5	Suit brushed	-	-	-	-	0,1	113
	<b>TOTAL</b>	<b>82</b>	<b>61242</b>	<b>61</b>	<b>57689</b>	<b>0.7</b>	<b>608</b>
<b>Children's outerwear</b>							
1	Cotton jumper	2	440	1	264	-	73

2	Cotton trousers	-	--	4	1208	4,3	1571
3	Socks	11.5	115	-	-	-	--
4	Children's costume	6.6	1089	1	120	0,1	130
5	Suit j/shorts			4	768	-	-
6	Brushed trousers	0.4	172	-	-	-	-
7	Shorts	-	-	-	-	1,2	168
	Total	21	1836	10	2660	5.6	1942
	Total outerwear	103	63078	71	60349	6.3	2550
	Total for the enterprise	1003	71490	211.2	477585	179	278348

Source: (Company information)

The data in this table show that for certain types of products, the output is very small batches, and some items are not produced at all. Thus, in 2023, out of 39 items of goods from previous years, 10 items were not produced at all, and the output of 14 items was less than 1,000 units per year.

#### 4. Discussion

As noted above, one of the most important components of the direct impact marketing environment are consumers. Consumers are all persons who use products for their functional purpose. Consumers are divided into final and intermediate. Final consumers use a product or service to satisfy personal needs, as a result of which the product is removed from circulation. Intermediate consumers use the product for production purposes, as a result of which the cost component of the product continues to be in circulation.

Samarkand-apparel LLC focuses mainly on the end consumers of its products, so it produces goods mainly for the consumer market. This factor is evidence that the company does not pay due attention to systematic marketing research among consumers of its products. The fact that such research is necessary can be judged by the fact that wholesale intermediaries showed significant interest in the products of Samarkand-apparel LLC in 2023. In addition, the expansion of the distribution channels of Samarkand-apparel LLC indicates certain efforts to identify consumers of the company's products. The lack of documents on the research conducted allows us to conclude that this activity is carried out spontaneously and is not considered by the management to be a priority for the development of the enterprise. Middle managers believe that the main consumers of the products are well known and do not require further clarification.

Practice shows that information about consumers is the basis for forming the competitiveness of an enterprise. In addition, the experience of foreign enterprises both in production and in trade indicates the need to create a systematic approach to consumer research. Analyzing the state of consumer research in Samarkand-apparel LLC, their possible shortcomings, as well as materials on consumer market research published in the open press, we decided to conduct a trial marketing study devoted to consumer research. When organizing our own research, we proceeded from the fact that we do not have enough material and technical resources for large-scale research. Therefore, we settled on quantitative methods of marketing research, in particular, on a one-round consumer survey. The advantages of this method are the simplicity of compiling survey forms, relatively greater freedom in choosing respondents and low costs of conducting the research itself. In addition, this method provides logically substantiated, formalized results that can be used in any area of the enterprise's activity.

#### 5. Conclusion

From the point of view of economic science, the organization of production, as a function of social expanded reproduction, includes a complex of production relations in society that arise in the process between members of society in the process of satisfying social needs for material and non-material goods. In this regard, the efficiency of the

organization of production determines not only the degree of use of limited resources of society, but also the level of consumption of produced goods (goods and services). Increasing the efficiency of the organization of production for each specific product is the basis for increasing the efficiency of social production, and the efficiency of the organization of production is understood as a reduction in the total costs of production, reflection and consumption of goods and services.

It should be noted that production volumes in physical terms are constantly decreasing due to the lack of orders for products. At the same time, the company is looking for ways to expand the sales market, for which it uses various methods of attracting intermediaries. The company carries out active marketing activities, in particular, a fairly flexible assortment and pricing policy, develops and implements measures to promote goods, improves the quality of manufactured products.

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