



## **SPECIFIC CLASSIFICATION FEATURES OF INTERMEDIARY ENTREPRENEURSHIP**

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### **ANNOTATION**

*The article provides information and recommendations on the specific classification features of brokerage business.*

**KEYWORDS:** *entrepreneurship, brokerage, dealer, distillery, broker, commissioner, jobber, salesman, realtor, auctioneer.*

One of the most important priorities of socio-economic development of the Republic of Uzbekistan is to increase employment and living standards by supporting small business and private entrepreneurship. Over the past five years, about 2,000 laws, decrees and resolutions have been adopted in the country to develop this sector.

114 licenses and permits for business were revoked, 33 types of activities were transferred to the notification procedure. The procedures for obtaining permits have been simplified and their terms have been reduced by an average of 2 times. Excessive checks, many restrictions on cash, currency and raw materials have been cancelled.

As the President of the Republic of Uzbekistan Sh.M.Mirziyoev noted, “as a result of such conveniences and opportunities, the number of new entities is sharply increasing and the existing ones are expanding their activities. The number of entrepreneurs has almost tripled in the last five years. Many entrepreneurs have expanded their business across the country, creating thousands of jobs and becoming reputable large companies. A class of entrepreneurs with its own reputation and brand in the native and foreign markets has begun to emerge” [1].

We know that the market represents the meeting place of two main subjects of economic relations. So, in that case, the market should include the producer and the consumer, or their representatives.

Intermediaries are individuals who represent the interests of a producer or consumer and often act on their behalf, but who are not themselves producers or consumers.

Entrepreneurs can engage not only in production, but also in all economic activities not prohibited by law, including intermediation, sale, purchase, consulting, securities.

Entrepreneurial activity is aimed at making a profit, and we can divide it into two types of entrepreneurial activity as a form: first, entrepreneurship aimed at production and service of the main activity (ie, in terms of product creation, including intellectual entrepreneurship), and second, intermediary entrepreneurship.

In business, intermediaries such as brokers or traders can be cited as examples. But the functions they perform in the markets can vary depending on the types of products they



sell. They are becoming popular with names such as agent, broker, dealer, distillery, commissioner, jobber, commercial operator, realtor, auctioneer.

The manufacturer may deliver the goods to the consumer himself or through an intermediary. What are the advantages, disadvantages or benefits of the manufacturer in delivering the goods to the consumer through an intermediary? Let's think about it. On the one hand, it seems that it may be cheaper for the manufacturer to deliver the product to the consumer. However, when a manufacturer directly delivers goods, works and services to consumers, its focus is on the sales process, which can lead to a slowdown in production, a decline in product quality and a slowdown in the production of new products.

If the amount paid by the manufacturer for the services of an intermediary is less than the cost of establishing an independent supply and delivery department, hiring specialists, the purchase of supplier vehicles, then it is advisable to use the services of intermediaries.

Activities in intermediary entrepreneurship are not focused on production, but on the implementation of intermediary functions, ie, directing goods to the market, earning income through the provision of intermediary services to producers and consumers.

Intermediaries shorten the period of capital turnover, increase the profitability of production.

The following prices differ in the movement of goods from producer to consumer:

1. Wholesale prices of manufacturers;
2. Wholesale price of intermediaries;
3. Retail prices.

The intervention of the intermediary in the producer-consumer relationship allows all consumers to receive goods on favorable terms. The manufacturer delivers the goods to the consumer through distribution channels.

Distribution channels are more effective than direct communication if established in the presence of an intermediary.

Direct relations are contractual relations established directly between the producer of goods (services) and the consumer.

An agent is a person who acts on behalf of a producer or consumer and within their interests. The party on whose behalf the agent is acting is called the principal. Being the owner of the goods in principle, he instructs the agent to sell or purchase the goods. Thus, mediation involving an agent involves the interaction of 3 subjects rather than 2.

There are several types of agents:

1) Manufacturers' agents are agents representing the interests of two or more complementary goods manufacturers.

2) Sales agents are not part of the manufacturing firm, work with it on a contract basis and assume the right to sell the entire product.

3) Agents for the purchase of large quantities of goods in advance are engaged in the selection of the required range of goods and services, for example, the selection of the range of goods for small retailers, marketing, etc.

The legal basis of the agent relationship is the agency agreement. The agency has the following forms: broker, commissioner, dealer, indent, consignment, wholesaler, distributor,



dealer, sales broker, jobber, consignee, sales representative, sales clerk, auctioneer, stockbroker, realtor, etc.

A broker is an intermediary who performs all transactions at the expense of his clients. Sometimes the agent acts as a wholesale commissioner.

The commission agent acts on the basis of a commission agreement and manages the goods independently. The party who assigns the commissioner is called the principal.

Commission transactions are a form of these trade-intermediation operations, which are carried out unilaterally at the expense of the principal and on his behalf.

A commission agent is a natural or legal person who makes transactions on his behalf in favor of the principal and at his expense in exchange for a certain commission award.

Delcreder is to persuade the commissioner in front of the principal of the performance of the contract with a third party, i.e. to assume the performance of the contract.

Indent is that an importer of one state instructs the commissioner of another state to purchase a particular consignment of a certain commodity.

Sometimes intermediaries come in the form of wholesalers - traders. (for example, more than 50 percent of the total wholesale turnover is their share).

Wholesale traders are independent commercial enterprises that acquire ownership of all the goods they are interested in. They operate in various forms:

- Wholesale company;
- Wholesale distributors;
- Trading house.

A distributor is an intermediary who specializes in purchasing goods from a manufacturer and selling them to its regular customers. There are different types of distributors who sell industrial goods and supply goods to retailers.

- **Auctioneer** - a person who conducts an auction.
- **Auctions** - individuals and legal entities participating in the auction.
- **Initial price** - the initial bid price at which the purchase of goods begins.
- **LOT** - an indivisible set, batch of goods for sale.

• **A dealer** is an intermediary who carries out all operations on the exchange only at his own expense.

• **Broker** - an intermediary, who brings together the intermediaries involved in the exchange, helps them to make a deal and receives interest from them. There are a lot of brokers on the stock exchange. But the most basic broker is called a goff-broker. He controls all brokers.

• **Jobber** - an intermediary who always has stocks of finished products, ie at any time of the year the jobber will have a brand, regardless of the season or other conditions.

• **Shipment trader** - is an intermediary who sells goods by sending catalogs to potential buyers.

• **A salesperson** is an intermediary who not only sells goods, but also delivers them home.

There are several types of trades on commodity exchanges:



First, purchase and sale agreements, which provide for the immediate delivery of goods, ie cash transactions.

Second, forward agreements, that is, agreements related to the future delivery of goods.

Third, term contracts are the delivery of goods within a certain period, usually after 6-14 months.

Fourth, oncological transactions are a type of transaction in which the purchase of a real good continues until the buyer demands it without setting a price. In this case, the seller insures himself against risk by hedging the sale, that is, the price that the seller hedges will be the purchase price of the real goods.

Intermediaries perform different functions in a market economy. Unlike the consumer, the intermediary fills in, analyzes, and interprets insufficient information. In addition, the intermediary entrepreneur, by studying and analyzing the supply and demand in the market, makes recommendations to manufacturers on new types of competitive products and the volume of products produced by assessing the market situation. Because overproduction can also lead to a crisis in the enterprise.

Manufacturers set their own requirements when contracting with intermediaries. Among the main requirements, it is important to establish obligations to maintain product quality during transportation and storage. For example, the availability and cleanliness of refrigerators in transport, the maintenance of storage temperature in warehouses, not to exceed the deadlines, not to place with hazardous chemicals, to comply with the rules of pre-sale of previously manufactured products, not to damage product packaging including.

In turn, intermediary entrepreneurs will increase the level of service to consumers. It develops the work of delivering goods to the consumer while maintaining the quality of the goods, creating conditions for the consumer, expanding the choice for them, studying their offers, providing information about the goods, advertising.

In order for an intermediary to enter the market or maintain its position in the market, to increase its image, first of all, the entrepreneur must have positive personal qualities, knowledge of business culture, develop business competence, gain and not abuse the trust of partners and consumers, modern material and technical base, it is important to have enough vehicles to deliver.

In conclusion, today it is very important to ensure the economic growth of the country, the development of brokerage, the discovery of new aspects and their implementation.

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