



# INTEGRATION OF INFORMATION SYSTEMS IN SMALL BUSINESS OF UZBEKISTAN

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## ABSTRACT

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*Small business is an integral part of any developed state. It is this sector of the economy that is most exposed to the processes that characterize a dynamically progressing society. The article proposes approaches developed by the authors to create a comprehensive system for integrating information systems into small businesses. Information technologies are becoming an integral part of modern society, which means that it is the small business sector that is the first to respond to modern trends, strives to make the most complete informatization possible. The effective implementation of the methods of information support for small businesses described in the article will create conditions for the successful operation of small businesses in the national market. This article discusses how necessary information technology is in a small business. The tasks that are set for the system of information support for small businesses are described. Perspective directions in solving the problems of creating a modern IT infrastructure at small enterprises are considered.*

**KEYWORDS:** *information technology, small business, innovations*

## 1. INTRODUCTION

The economic development of Uzbekistan as a whole depends, in particular, on the development of small businesses. But, when creating small enterprises, hardly anyone sets as their task the development of the country's economy. The goals of creating your own business are primarily focused on generating entrepreneurial income. Business is often associated with phrases: "work for yourself", "independence", "the opportunity to prove yourself", "earn decently", "receive income equivalent to your mind and efforts".

But at the same time, a feature of small business is its versatility.

Developing and functioning in the interests of the organizers, small business also contributes to the progress of the state economy as a whole. The functioning of business is equally useful both for the entire economy of the country and for each individual

separately, which means that it has deservedly received appropriate state recognition and support.

## 2. MATERIALS AND METHODS

Modern trends in the progress of society put small business in the framework when there is a need to grow quickly and follow the new standards of the business world. In the current situation, it can be argued that providing business with information resources is one of the most important aspects for the successful operation of an enterprise and increasing efficiency. The existence of a small business depends on how detailed, high-quality and up-to-date it is possible to track incoming information about the markets and products with which the business works. Such information can provide a strategic competitive advantage.

### 3. RESULTS AND DISCUSSION

Small business in Uzbekistan "Small and medium business" is the most important element of an integral economic system, which largely determines the competitiveness of the state in modern conditions. According to the published Strategy for the Development of Entrepreneurship 2020 [7], which was prepared by the European Commission, small and medium-sized businesses were named the main sector providing employment, and at the same time - the main source of innovation and accelerated economic growth.

According to official statistics, the basic indicators of the activity of small and medium-sized businesses in the Republic of Uzbekistan . are as follows: 1) the share of the small business segment in the GDP of the Republic of Uzbekistan . averages 20%. 2) the share of the employed able-bodied population in small and medium-sized businesses in Uzbekistan is about 19.1%.

People choose to become entrepreneurs for various reasons. But the most significant is the desire to have a high level of wages (entrepreneur's income). However, in Uzbekistan, the situation in this regard can hardly be considered satisfactory: the level of average wages in small and medium-sized businesses is 30% lower than the average level of wages in the country [8].

Uzbekistan, as a country with a relatively small share of small businesses, also lags behind in the development of informatization of small businesses [6]. Starting a business in Uzbekistan is somewhat more difficult than, for example, in the United States or some European countries, where the small business system is much more developed.

Small Business Abroad In Europe and in the US, government policy is steadily aimed at supporting and protecting small businesses. Its absolute priority is enshrined in law. Small businesses account for over half of GDP generated by the private sector. For example, according to the US Small Business Administration (SBA), in 2009 there were 27.5 million small businesses in the country [5]. Small business is extremely dynamic: 500,000-600,000 firms emerge and close each year; the number of individual entrepreneurs without forming a legal entity is growing (by 2.7% in 2002). 99.7% of all employers and more than 50% of the number of employees employed in the private sector are concentrated in this sector. Small businesses in the US have created about 65% of net jobs over the past few decades. 43% of highly qualified technical workers (scientists, engineers, programmers) participate in small business. Small businesses also generate 13 times more patents than large patent firms. The SBA had a budget of \$985 million in 2012, and with funding and subsidies raised, about \$24 billion was spent to support small businesses. . For example, to improve the access of small businesses to credit resources, the SBA acts as their

loan guarantor and, through its funds, can provide up to 90% of the value of collateral for loans to entrepreneurs.

In Uzbekistan, getting a complete picture of doing business in a particular area is quite problematic.

Small business information support methods The experience of small business development in Uzbekistan convincingly shows that, along with the need for financial and property support for entrepreneurship, it is becoming increasingly important to provide the necessary information resources for the development of entrepreneurial activity and the conduct of a civilized business. These points can be implemented only if there is an integrated approach to the creation and dissemination of information in the field of business and general economic activity.

According to the authors, it is necessary to integrate all existing elements of the small business support infrastructure, as well as available information resources, into the support system. The business information support system is assigned certain tasks, such as:

- 1) Optimization of existing information systems and creation on their basis of a single information space for small businesses;
- 2) Expanding the scope of possible application of the latest information systems in the practical part of the implementation of business projects;
- 3) Using the Internet to obtain business information from the maximum number of sources collected in one place.

One of the most important aspects of the successful achievement of the goals and objectives of the development of the information support system for small businesses is the organized conduct of a wide propaganda work to form a loyal attitude of society towards representatives of small businesses. Considering that the specifics of the system's activity and its capabilities, as well as the socio-economic and social significance are great, it is advisable to organize promotion with the maximum involvement of the possibilities of available resources (including the media).

Information about the practice of developing the system of information support for small businesses allows us to trace the course of changes in priorities, the level of significance for businessmen of this or that information, taking into account changes in the socio-economic situation in the country. For example, until August 2008, information on providing information on the legal aspects of small businesses [3], issues of creating, registering and managing enterprises, lending, taxation and staff training, as well as the availability of materials on foreign experience in managing small and medium-sized enterprises was the most in demand. business. This is largely due to the fact that at that time a significant number of people who had not previously

been associated with entrepreneurship, did not have the necessary practical experience and knowledge, came to entrepreneurship. Accordingly, under the influence of the crisis, there was a shift in the information priorities of small businesses in the search for new partners in commercial activities, as well as conducting marketing research in some market segments.

According to the authors, information technology (IT) now occupies a leading position and has significantly weakened the role of the previously standard information transmission channels, such as television, radio and print. At the moment, IT is ahead of all other channels in the following indicators: 1) the number of information transmission channels; 2) information volumes; 3) unlimited time of using channels; 4) cost indicators; 5) coverage of the target audience.

Information posted on the Internet is also relevant for the following indicators:

- 1) The ability to transmit information over any distance;
- 2) Relatively low cost compared to traditional media; 3) constant growth in the number of users.

The following aspects, such as the increase in the amount of information required for transmission, the need for a universal approach to searching and selecting data, the increasing requirements for quick response to changing environmental conditions, make it necessary to use modern information technologies, including the possibility of remote transmission of information using computer business networks and electronic documents, primarily for small businesses.

The tasks of integrating information systems into small businesses A direction that can be considered a promising solution to the problem of forming a mature IT infrastructure of small businesses is seen in the use of "Cloud services": representing infrastructures as services

(Infrastructure as a Service, abbr. IaaS), software (Software as a Service, abbr. SaaS); Communications \_ as a Service, CaaS for short) etc.

Services that are presented in cloud structures should provide cost reduction for informatization, technical support and maintenance of information systems, which is relevant for small businesses, quick access to the necessary resources when solving problems in the field of informatization and abandoning them when the need disappears, scalability in accordance with with tasks, transparency and predictability of costs, increasing the degree of mobility of personnel employed in the field of informatization. The main factors that can limit the use of cloud services are the risks associated with the security of information systems, ensuring data confidentiality and the availability of the Internet. The relatively small scale of activities of small businesses does not entail a proportional reduction in the management functions performed. Small businesses are experiencing a need to automate

the same accounting and management functions as firms related to large businesses. Management of the company's strategic development, personnel, economic component, financial sector, marketing, production, product sales, supply, organization of a management and reporting system - all these are necessary functions for small business activities. A smaller scale of activity is visible only at the stage of implementation of these functions.

Accordingly, the use of software solutions that are focused on large businesses economically (high cost) and functionally (deep implementation of accounting functions with higher complexity) is not practical for a small business.

With a small number of staff, the information worker of a small business entity performs a fairly wide range of duties. If a separate software product is used to automate each function, the problem of information redundancy and low integration will arise. Accordingly, it can be assumed that the most relevant from the side of small businesses should be integrated information solutions built on the "all in one" principle. A confirming factor for this hypothesis is the integrated systems offered on the market for small businesses, in particular in the IS segment for automating accounting and organization management (IS "Integrator" from InfoSoft , the Integrated System for Small Business BEST Office FreeWare , software solutions based on the 1C platform and etc.).

An important aspect of the activity of small enterprises is the "Unity of ownership and management", when the founders of the business also perform management functions. On the degree of business susceptibility to information technologies, this feature is manifested in the personal characteristics of the founding leader, his attitude to information technologies and the vision of their future use.

The level of manager's awareness is, perhaps, determining in the field of opportunities and competitive advantages of using information technologies; the higher the information saturation of enterprises with information and the larger the size of the business, the more susceptible it is to the introduction of IT [2, p. 65].

Such features of small enterprises as a highly specialized field of activity and development simultaneously in many directions, high risks and a tendency to the possibility of frequent changes in activities create additional problems in the formation of an integral business infrastructure due to the ambiguous requirements for information systems. Thus, the requirement of narrow specialization is expressed in the introduction of special programs that take into account the specifics of the enterprise. Such applied information solutions, as a rule, are not massive, they have a rather high cost. A lot of activities complicate the use of complex information systems and technologies that work on the system of

finding all the functions in one product, this somewhat complicates the implementation of application solutions from different developers. And the propensity for the need to quickly change activities entails a high degree of riskiness of investing resources in the acquisition of specialized software products, which may soon become irrelevant.

An alternative way is to develop and implement small applications for automating specific business processes with available tools means (for example, VBA MS Office).

In order to increase the degree of integration of information technologies into small business, it is necessary to clearly define the categories of its users and further form information resources taking into account their interests.

Potential target groups for the integration of information technology: 1) start-up entrepreneurs and enterprises that seek to develop their business;

2) bodies that support entrepreneurship; 3) specialized centers for the provision of consulting services: information, marketing; 4) communities and clubs of entrepreneurs; 5) trade missions of foreign companies and trade missions of Russian companies abroad; 6) business communities, socio-political parties and movements and individual citizens who are interested in the development of entrepreneurship; 7) citizens of the Republic of Uzbekistan and other countries who are interested in cooperation or wish to be aware of the situation in the field of small business in Uzbekistan.

#### 4. CONCLUSION

To solve the problem of insufficient information support for small businesses, one can resort to the experience of foreign colleagues and create a single center that can assemble the full implementation of the federal law on supporting small businesses, ensure the availability of software products that help facilitate the optimization of the main business processes of small businesses; transfer some procedures related to starting a business and setting up business processes into the information environment (for example, registering an enterprise, financial reporting, obtaining various permits and approvals for doing business). This step will help entrepreneurs overcome the bureaucracy that is so strong in modern Uzbekistan.

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