

## Increasing the Efficiency of Innovation in Shoe Manufacturer Small Business Entities

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**Abstract:** Today, the cost of purchasing and installing innovative technology can be a financial challenge for most small businesses. Therefore, in order for small business entities not to face a crisis in the competitive environment of the market, it is necessary to implement an effective protection system of the state that encourages the financing of the costs of introducing innovative technology.

**Keywords:** innovation, innovative technology, product cost, energy consumption cost, feasibility criterion, production efficiency.

**Introduction.** Despite the large-scale reforms carried out in recent years in our country on the creation of innovative technologies and the modernization of existing traditional technologies, the effectiveness of scientific works aimed at their implementation is not observed to increase significantly due to objective and subjective reasons. In particular, research and development aimed at the effective use of innovative technologies in the modernization of the footwear industry is not being carried out sufficiently.

Modernization of the footwear industry based on innovations is the understanding of the process of bringing footwear production to a new level by implementing structural changes that produce high-tech, competitive and quality products, energy-saving, and increase the weight of services, with the wide application of innovations. possible The final result of the modernization of the footwear industry based on innovations is to saturate the local market and increase the volume of exports abroad by modernizing the existing traditional technology or introducing a new innovative technology.

**Literature review.** Many economists have expressed their opinions on the development of innovative technology. For example, S. Yu. Glazev, G. V. Rachinskaya and L. I. Fedulova consider the process of improving technologies by introducing innovative technologies in their scientific research<sup>2</sup>. As noted by L.I. Fedulova, the level of appropriateness of technology in the process of technological development is determined by the dynamic balance of the following two factors: 1) the state of production development and prospective need; 2) volume and sources of funding for the development of innovation and production capacity<sup>3</sup>.

In our opinion, the economic development of small business entities producing shoes is manifested in the following: first, small business entities develop on the basis of internal resources; secondly, the indicators of economic efficiency that determine the economic development of small business entities are primarily reflected in income and net profit; thirdly, the economic development of small business entities requires that the innovative technology introduced should be more energy-saving and high-quality product production compared to the current technology.

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<sup>2</sup> Глазьев С.Ю. Экономическая теория технического развития / С.Ю. Глазьев. – М.: Наука, 2009. – 241 с.; Рачинская Г.В. Оценивание уровня технологического развития предприятий / Г.В. Рачинская, Л.С. Лисовская // Вестник НУ «Львовская политехника». – 2011 – № 631. – С. 278–282.; Федуллова Л.И. Стратегия технологического развития: микроэкономический поход // Вестник НУ «Львовская политехника». – 2008. – № 628. – С. 675–680.

<sup>3</sup> Федуллова Л.И. Стратегия технологического развития: микроэкономический поход // Вестник НУ «Львовская политехника». – 2008. – № 628. – С. 675.



**Research Methodology.** Formation of sources of financing the costs of introducing innovative technology to shoe manufacturing small business entities and study of existing scientific research on ways to use them effectively creation of a system that implies, identification of internal and external factors influencing the introduction of innovative technology to small business entities that manufacture shoes, development of feasibility criteria for the introduction of innovative technology to small business entities that manufacture shoes, logical thinking, scientific abstraction, grouping of data, analysis and synthesis, induction and deduction methods are widely used.

**Analysis and results.** Modernization of the footwear industry based on innovations is the understanding of the process of bringing footwear production to a new level by implementing structural changes that produce high-tech, competitive and quality products, energy-saving, and increase the weight of services, with the wide application of innovations. possible The final result of the modernization of the footwear industry based on innovations is to saturate the local market and increase the volume of exports abroad by modernizing the existing traditional technology or introducing a new innovative technology.

As a result of the introduction of innovative technology to small business entities that produce shoes, it is necessary to form a system that provides for increasing the efficiency of product production. For this, it is necessary to clearly define the functions of all institutions related to this system. In this regard, the role of the country in small business entities that manufacture shoes, ways to increase the level of innovative technology in small business entities that manufacture shoes, an approach to the formation of financial resources for innovative technology, and how to meet the demand for quality innovative products in the market economy. The system containing z is shown in Figure 1.

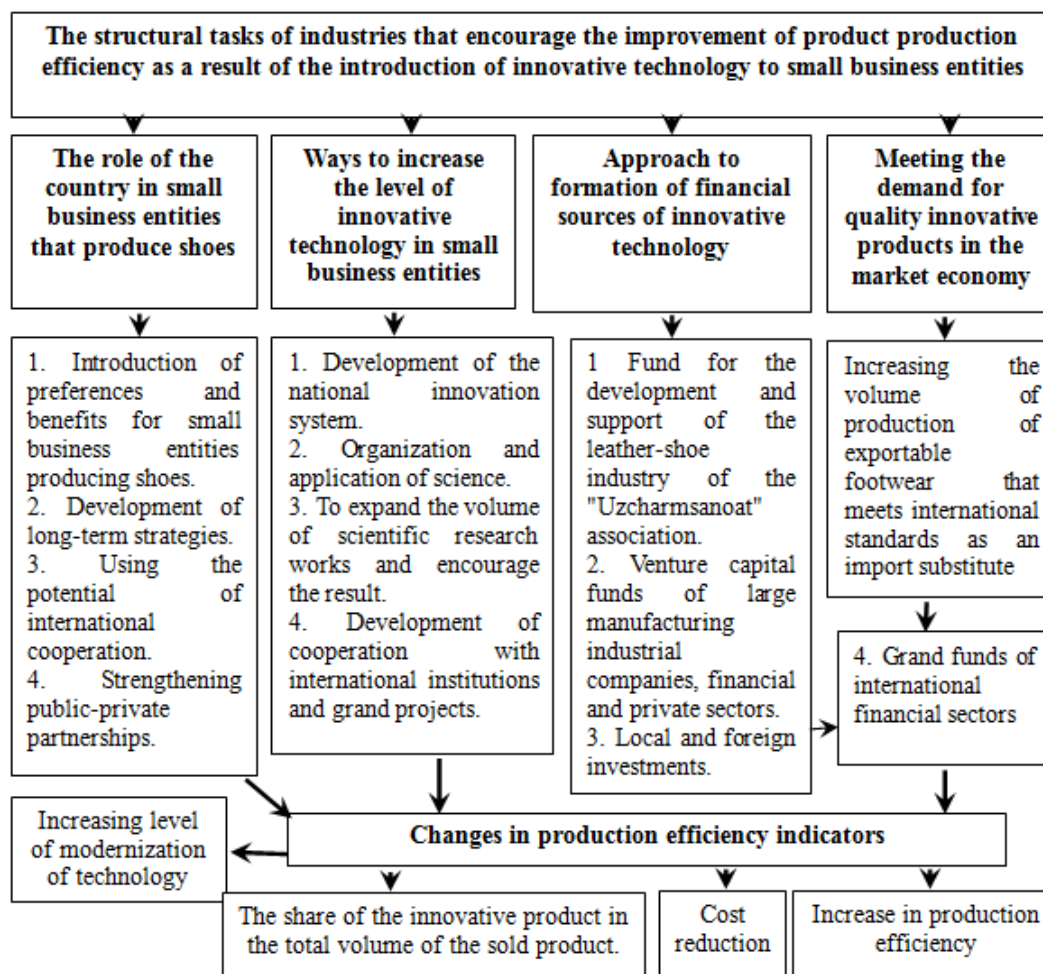


Figure 1. A system that envisages increasing the efficiency of product production as a result of the introduction of innovative technology to small business entities producing shoes<sup>4</sup>.

<sup>4</sup> Author development.



Of course, this system cannot be considered a perfect option for introducing innovative technology to the footwear industry, in particular, for the effective use of this system, the regulatory and legal basis for introducing innovative technology to production should be sufficiently formed. In addition, it is necessary to perfectly develop a complex of activities aimed at increasing the level of cooperation between education and production on the introduction of innovative technology. In addition, one of the first tasks of this system is to create financial resources for the introduction of innovative technology to small business entities that produce shoes. If this system is used in full practice, positive changes will be achieved in footwear production efficiency indicators, and these changes will be reflected in the following production efficiency indicators: increase in the level of modernization of footwear technology; increase in the amount of output per worker; decrease in the cost of shoes and increase in production profitability.

Figure 2 shows the internal and external factors influencing the introduction of innovative technology to small business entities producing shoes.

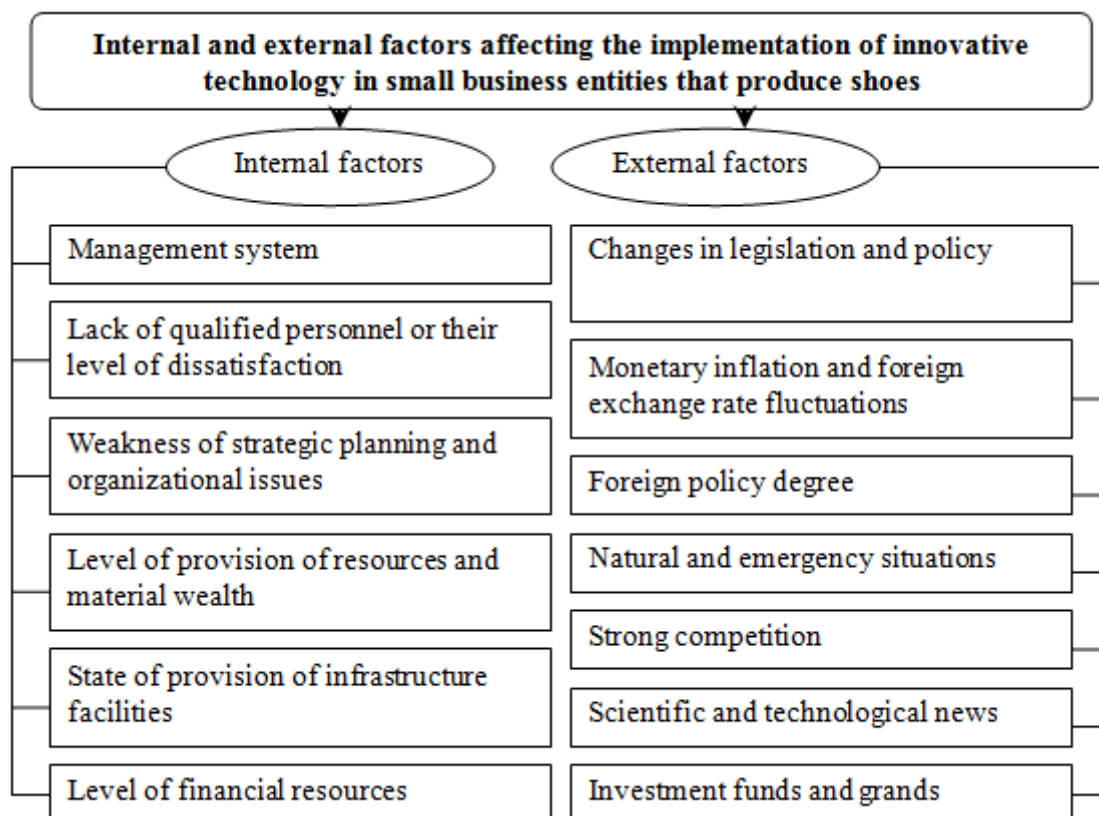


Figure 2. The influence of internal and external factors affecting the introduction of innovative technology to small business entities producing shoes<sup>5</sup>.

By eliminating these factors, protecting and supporting the interests of small business entities based on innovative technologies in improving the production efficiency of small business entities and ensuring product competitiveness, increasing their export potential and the share of innovative products created using these technologies in the volume of the country's export indicators. increase is provided.

In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-6198 of April 1, 2021, on the basis of the Scientific-Practical Center for the Introduction of Innovative Developments under the Ministry of Innovative Development, the National Office for the Introduction of Innovations and Technology Transfer in the form of a state institution (hereinafter referred to as the National Office is maintained) was established.

<sup>5</sup> Author development.



One of the tasks of the national office is to create, introduce, multiply and commercialize the results of scientific activity, innovative products and services, including new devices, materials and technologies based on the needs of the real sector of the economy and the social sphere. 12 projects in total are being carried out by the laboratories within it, and so far these laboratories have provided 245 innovative devices, 14 autonomous medical assistants for lonely elderly people in more than 10 organizations specializing in helping people in need of social protection. more than 350 innovative devices such as 8 innovative library platforms, 80 sets of "Innovative sets", 6 "Electronic calls" were developed and introduced. However, until now, the National Office has not created innovative technologies specializing in the production of shoes for small business entities that manufacture shoes.

The regulation developed in accordance with the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 570 of July 24, 2018<sup>6</sup>, the fund for the development and support of the leather-footwear sector of the association "Uzcharmsanoat" (hereinafter referred to as the Fund) funds determines the procedure for forming and using them.

According to paragraph 6 of this regulation, one of the purposes of the funds of the Fund is to provide financial support to organizations that specialize in the full production cycle from semi-finished leather to the production of finished products by allocating funds with the condition of later repayment.

Due to the increasing number of consumers of energy resources not only in the world, but also in our country, the demand for energy-saving technology of innovative technologies is increasing. From this point of view, it is necessary for us to develop a criterion that determines the expediency of introducing innovative technology to small business entities producing shoes.

We offer the following conditions that determine the feasibility of introducing innovative technology to small business entities producing shoes:

- if the cost of 1 pair of shoes produced using innovative technology is lower than the cost of 1 pair of shoes produced using current technology, it is possible to replace the current technology with a new technology ( $T_{at} > T_{it}$ , here,  $T_{at}$  is the cost of 1 pair of shoes produced using current technology cost,  $T_{it}$  – the cost of 1 pair of shoes produced using innovative technology);
- if the material capacity of shoes produced using innovative technology is low, this technology can be used ( $MS_{at} > MS_{it}$ , where  $MS_{at}$  is the material capacity of 1 pair of shoes produced using the current technology,  $MS_{it}$  is material capacity of 1 pair of shoes produced by innovative technology);
- if the price of shoes produced using innovative technology is lower than the price of shoes produced using current technology, this technology can be used ( $N_{at} > N_{it}$ , here,  $N_{at}$  is the price of 1 pair of shoes produced using current technology,  $N_{it}$  is the price of 1 pair of shoes manufactured using innovative technology);
- if the energy consumption cost of the innovative technology is lower than the consumption cost of the current technology, it is appropriate to use this technology ( $EX_{at} > EX_{it}$ , where  $EX_{at}$  is the energy cost for 1 pair of shoes produced by the current technology,  $EX_{it}$  is the energy cost for 1 pair of shoes produced by the innovative technology energy cost per pair of shoes).

In order to strengthen the competition between small business entities that produce shoes and to accelerate innovative activities in small business entities that do not have enough financial opportunities, "Uzcharmsanoat" "A system that envisages implementation at the expense of the Fund for the Development and Support of the Leather-Footwear Sector of the Association" is proposed.

**Conclusions and recommendations.** In order to make it easier for small business entities that produce shoes to finance the costs of purchasing and implementing innovative technology and to stabilize the competitive environment in the market economy, the costs of purchasing and implementing innovative

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<sup>6</sup> The regulation "On the procedure for the formation of income and the use of funds of the fund for the development and support of the leather-footwear industry" was developed in accordance with the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 570 of July 24, 2018.



technology based on the criterion that determines the feasibility of introducing innovative technology to small business entities that produce shoes. It is recommended to introduce a system that provides for the development and support of the leather-shoe industry of the "Uzcharmsanoat" association at the expense of the fund. If implemented in the form of the support fund - National office for the introduction of innovations and technology transfer, the volume of production of export-oriented innovative products that replace imports will increase, and customer needs will be met.

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