

THE CONTENT OF INNOVATIVE DEVELOPMENT STRATEGY IN "SAMARKAND APPAREL" JOINT ENTERPRISE IN THE CONDITIONS OF MARKET ECONOMY

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DOI: 10.5958/2277-6621.2022.00012.3

ABSTRACT

In this article, the issue of increasing the export capacity of the company's products, capturing foreign markets, analyzing economic activity and improving the innovative product marketing program is considered.

KEYWORDS: *Market, Export, Product, Modernization, Knitting, Yarn, Activity, Result.*

INTRODUCTION

"Samarkand APPAREL" joint venture is a large textile enterprise in Samarkand city. This enterprise has more than fifty years of history and is known as "Samarkand Knitting Factory". The life of today's "Samarkand APPAREL" joint venture began in 2012 with the radical reconstruction and technological equipment of the enterprise on the basis of the State Modernization Program with the help of the Uzbekengil Industrial Association. In 2012-2014, modern textile equipment from Japan, South Korea and Germany was imported and installed at the enterprise. About 200 workers and specialists are working in sewing workshops. Since January 2015, a new modern workshop has been opened together with the South Korean "Samarkand Apparel" company. More than 500 jobs were created in this workshop.

Today, the capacity of the factory is designed to produce 7.8 million knitted products per year. The main part of the capacity is intended for inner knitting, that is, 6 million units, and partly for high knitting - 1.8 million units. Most of the products are sold in the domestic market. At the same time, in the last two or three years, much attention has been paid to occupying foreign markets.

Cotton yarn products are successfully exported to foreign countries. Since 2015, the company's products have been supplied to the markets of the Russian Federation and Belarus. Since 2017, product deliveries to South Korea, the USA (Philadelphia) and the Czech Republic have begun.

Today, the total volume of foreign contracts has exceeded five million US dollars.

In order to increase the export potential of the products, the production of new synthetic fabric - fleece product is being launched at the enterprise. Products made of this fabric in a wide range are distinguished by their softness, ability to keep from cold and warm. In January 2019, the first batch of this product worth sixty thousand US dollars was exported to Belarus.

In the analysis of the production economic activity of the enterprise, it is necessary to study the situation of product sales in the first place (table 2.1).

TABLE 1 "SAMARKAND APPAREL" JOINT VENTURE ANALYSIS OF SALES OF PRODUCTS IN 2020-2021

t/r	Indicator name	Unit of measure	2020 year	2021 year	The difference	Growth rate,%
1	Sale of merchandise, life size	A thousand pieces	603.6	619.2	+ 15.6	102.6
2	Product sales volume, incl	Million soums	1715.48	1929.29	+ 213.81	112.5
3	In the domestic market	Million soums	251.98	406.19	+ 154.21	161.2
4	export	Million soums	1463.5	1523.1	+ 59.6	104.0

The conducted analysis shows that in the last two years, the main attention is paid to the use of export opportunities in the joint enterprise "Samarkand APPAREL". The increase in the volume of sales of products in natural sizes was 102.6% compared to 2020 and amounted to 619.2 thousand units. If we analyze the volume of sales, in 2021 it was equal to 1929.29 million soums and increased by 12.5% compared to 2020. The analysis of the sales volume by markets shows that the share of exports is decreasing. If in 2020, exports accounted for 85% of the total sales volume, in 2021 the export volume decreased to 79%. In addition to internal factors, currency reforms carried out in our country also greatly influenced this.

The main factor of success of any enterprise in market conditions is its financial stability. Financial stability and independence allow not only self-management and disposal for the enterprise, but also the formation of competitiveness. Analysis of financial indicators is considered especially important for enterprises entering the international market. In the analysis of export opportunities in the joint venture "Samarkand APPAREL", we tried to determine the stability and continuity of the enterprise on the basis of financial reports. For this purpose, we studied the three-year main financial reports of the enterprise, that is, the balance sheet and financial results reports.

TABLE 2 BALANCE INDICATORS OF "SAMARKAND APPAREL" JOINT ENTERPRISE, BY THE END OF THE YEAR, THOUSAND. AMOUNT

t/r	Indicators	Amount by years			Change in 2021 compared to 2019, +, -
		2019	2020	2021	
1	Total assets incl	2597614	3091137	6406540	+3808926
1.1	Long-term assets	1428272	1373776	1221654	-206618
	Including residual value of fixed assets	1425621	1315577	1194303	-231318
1.2	Current assets incl	1169342	1717361	5184886	+4015544
	Inventory	493692	1012558	2606425	+2112733
	Debtors	518708	695734	2212829	+1694121
	Funds	153392	9069	361052	+207660
2	Total liabilities incl	2597614	3091137	6406540	+3808926
2.1	Sources of own funds	2419632	2666081	3781934	+1362302
2.2	Obligations	177171	425056	2434062	+2256891
	Including long-term liabilities	0	0	0	

From this table, we can see that the total assets increased 2.5 times during the last two years and reached 6406540 thousand soums. Such growth of the company is a proof of the success of its aggressive policy and chosen strategy. Regular expansion of assets in the enterprise serves to increase its wealth and status.

Carrying out the financial situation only on the basis of the company's balance sheet does not allow to determine the sources of increase of assets, in this regard, we need to analyze the activities of JSC "Samarkand APPAREL" in the current years. For this, we will consider the results of financial activity in the last two years (Table 3).

TABLE 3 FINANCIAL INDICATORS OF "SAMARKAND APPAREL" JV, THOUSAND. SOUM

t/r	Indicators	Amount by years		in 2021 compared to 2019, %
		2020	2021	
1	Net income from product sales	1221593	1700210	139.18
2	Cost of goods sold	947700	1183508	124.88
3	Gross profit from product sales	273893	516701	188.65
4	Period costs	384803	641491	166.71
5	Main activity benefit	353308	830797	235.15
6	Profitability of general economic activity	383710	830797	216.52
7	Net profit	342416	782285	228.46

The following conclusions can be drawn from the above table. The fact that the net income from the sale of products increased by 39.18% in 2021 indicates that the company has expanded its production and sales activities. At the same time, the cost of sold products also increased, but it was much lower than the rate of increase in net income, that is, it increased by 24.88%. As a result, the gross profit from the sale of products of "Samarkand APPAREL" JV almost doubled and amounted to 516,701 thousand soums in 2021. The programs to improve the efficiency of production led to a decrease in cost growth and, as a result, an increase in net profit. If in 2020 the net profit was 342,416 thousand soums, by 2021 its volume increased by 128.46% and reached 782,285 thousand soums.

In the generalized table of the analysis of general economic activity, we can clearly see that the economic efficiency of "Samarkand APPAREL" JV has increased. (Table 4).

TABLE 4 ANALYSIS OF ECONOMIC EFFICIENCY INDICATORS OF "SAMARKAND APPAREL" JV

No	Indicators	Unit of measure	2020	2021	Difference (+;-)	Growth rate
1	Net income from product sales	A thousand soums	1221593	1700210	478617	139.2
2	Profitability of general economic activity	A thousand soums	383710	830797	447087	216.5
3	Net profit	A thousand soums	342416	782285	439869	228.4

4	Average annual cost of fixed assets	A thousand soums	2028388	1912729	-115659	94.29
5	Average annual value of working capital	A thousand soums	2028023	4309804	2281781	212.5
6	Profitability of products sales	%	28.0	46.0	18	164.2
7	Efficiency of fixed assets	Soum	0.6	0.89	0.29	148.3
8	Return on fixed assets	%	16.9	40.9	24	242.0
9	Capacity of funds	Soum	1.66	1,125	-0.535	67,78
10	Working capital efficiency	Soum	0.6	0.394	-0.206	65,67
11	Return on working capital	%	16.89	18.15	1.26	107.46

The following conclusions can be drawn according to analytical indicators:

- The average annual cost of fixed assets has decreased by 6% in the current period and is 1912729 thousand ssm.
- The average annual value of working capital increased by 112% and reached 4,309,804 thousand soums by the end of the year.
- The profitability of product sales increased by 64% and was 46% by the end of 2021.
- The performance index of the main funds improved by 48% and reached 0.89 today. Correspondingly, the profitability of the main funds has also increased sharply and is 40.6%.
- A 67.7% decrease in the indicator of the fund capacity of economic activity indicates that the enterprise has carried out effective work.
- The indicator of profitability of working capital also increased by 7% and reached 18,155.

The analysis carried out above shows the increased financial stability of "Samarkand APPAREL" JV and indicates the financial basis of launching the product on the international market.

It can be seen not only from marketing events in the enterprise, but also from the organizational structure of the marketing service that marketing activities are given great attention in "Samarkand APPAREL" JV. Marketing service within today's management system includes the following links:

Senior level - deputy director for commercial and economic issues;

Middle level - marketing department and sales service department;

The lower level - heads of trades, accountants of trades, supervisors of trades.

At the same time, the deputy director for commercial and economic issues heads the new product production and testing laboratory (Figure 1).

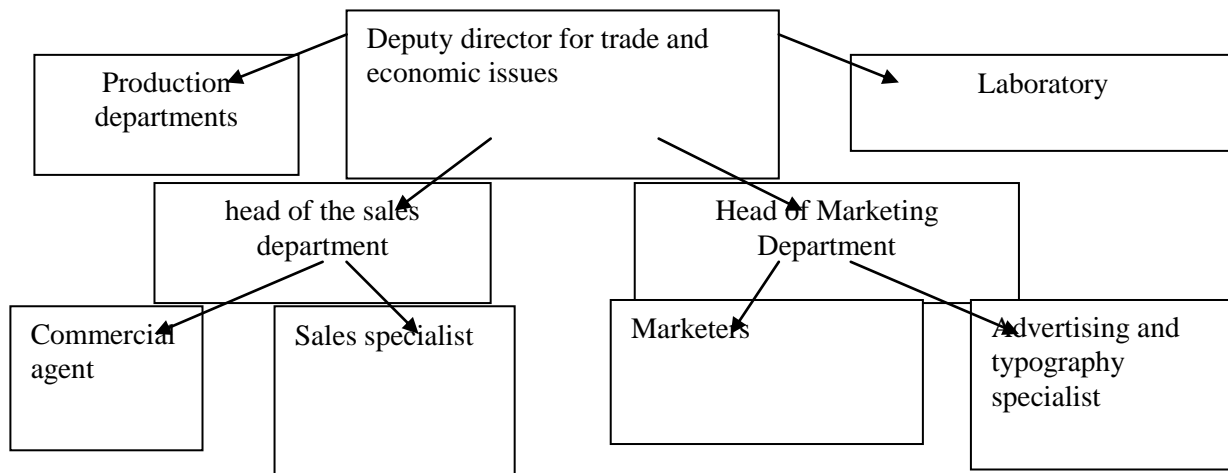


Figure 1 Organizational structure of marketing service at "Samarkand APPAREL" JV

As can be seen from this picture, Samarkand APPAREL JV has employees responsible for marketing activities. The division of duties and responsibilities among these employees is clearly indicated in the job descriptions. According to the distribution specified in the instructions, the following tasks are assigned to the deputy director for commercial and economic issues:

- Ensuring the efficiency of material and financial resources. material and technical support. management of the enterprise in the areas of product sales and contract control;
- Development of long-term strategies and current plans in the financial and commercial activities of the enterprise;
- Development of enterprise standards for product quality assurance, material-technical provision, storage of raw materials;
- Ensuring the timely conclusion of business and financial contracts and their execution;
- Sales of products, provision of material resources, control over spending of public funds;
- Analysis based on financial and economic indicators of the enterprise;
- Managing the development of measures to save resources, improve economic indicators, increase production efficiency;
- Participation in fairs, exhibitions and other advertising events on behalf of the enterprise;
- Organizing the study of the market situation;
- maintaining reports on product sales, material and technical support, stock size, etc.

The deputy director for trade and economic issues is subordinated to all department heads, marketing department, sales service department, company stores, material and technical support department, foreign economic relations department, sales dealers of Samarkand APPAREL JV, service center, etc.

- Bilateral and multilateral cooperation on joint programs and conducting mutual scientific and technical conferences and exhibitions;
- Implementation of technological-structural programming, development of measures to preserve and develop the intellectual potential of light industry, organization of the research and production center of the network are included.

"Samarkand APPAREL" JV is among the highly technologically and financially developed

enterprises today. His leadership is making several efforts to increase export potential. One of these actions is to expand the production range. Today, the enterprise produces more than 120 products. All of them can be divided into the following types: products for men, products for women, products for children and other types of products.

In order to study the attractiveness and export potential of "Samarkand APPAREL" JV products, we analyzed the composition and structure of the assortment with the help of experts. In 2017, the assortment of the enterprise is presented in the thesis. Based on it, we first determined the directions of assortment analysis.

During the analysis, we paid attention to the following. In the first place, we studied the distribution of the production range by departments. (Table 5)

TABLE 5 COMPOSITION OF THE PRODUCT RANGE OF "SAMARKAND APPAREL" JV BY DEPARTMENTS

No	Name of sections	Share by names, %		Share of the amount, %	
		2020	2021	2020	2021
1	Men's clothing	41/34.5	55/39.3	36.3	34.9
2	Women's clothes	28/23.5	32/22.8	24.1	25.7
3	Children's clothes	36/30.2	38/27,1	31.8	29.2
4	Other products	14/11.8	15/10.7	7.8	10.2
	Total assortment	119/100%	140/100%	100	100

As can be seen from the data of this table, in 2021, a number of works were carried out to enrich the production range compared to 2020. In particular, the creation of 21 types of new products was launched, and as a result, the product range reached 140 names. Analyzing by assortment sections, in 2019, the share of men's clothing increased from 34.5% to 39.3%, while the share of women's clothing decreased from 23.5% to 22.8%. The share of children's clothing range also decreased from 30.% to 27.1%. The reason for this is the high price of these products and the strong influence of fashion.

Analysis of the share of sales volume shows that men's clothing is the leader in the product range. In 2021, the share of this assortment section was 34.9%. The second place is children's clothes - 29.2% and the third place is women's clothes - 25.7%. In 2021, we can observe an unexpected sharp increase in the share of other types of products - up to 10.2 percent.

In the next place, we analyzed the products in the product range according to the volume of sales. It is known from marketing theory that all goods in the product range can be divided into four groups:

- "Stars", that is, bright products that demonstrate the competitiveness of the company;
- "Cash cows", that is, goods that bring high profits for the firm and are favored by consumers;
- "Question marks", that is, new and unknown products that have not yet demonstrated their potential;
- "Dogs", that is, products that do not bring income to the enterprise, did not attract the attention of buyers, but should be in the assortment.

When analyzing the product range of Samarkand APPAREL JV, we relied on the opinions of the company's production department specialists, accounting staff, marketing and sales department employees. The data was obtained as a result of research conducted in the form of a survey and interviews. (Table 6)

TABLE 6 COMPOSITION OF PRODUCT ASSORTMENT OF "SAMARKAND APPAREL" JV BY PRODUCT TYPES

No	Assortment sections	Number of names	"star"	"milk cow"	"question mark"	"dog"
1	Men's clothing	55	18	21	14	2
2	Women's clothes	32	14	11	4	3
3	Children's clothes	38	9	24	2	3
4	Other products	15	5	6	1	3
	Total assortment	140	46	62	21	11

As can be seen from this table, as a result of the enterprise's marketing activities, it was possible to occupy a large part of the assortment of goods with high profit and high utility. At the same time, the increase of low-efficiency products such as "question mark" and "it" is also shown by experts as a bad sign. In this diagram, we can see that today the share of such products exceeds 23%.

The conducted studies showed that there is an issue of improving the innovative product marketing program in the marketing activities of "Samarkand APPAREL" JV. Wider use of marketing methods and tools is necessary, especially for the acquisition of new foreign markets.

In addition to the development of products with high consumer characteristics in domestic and foreign markets, the creation of new textile materials production technologies with nanotechnologies and plasma processing is also considered an effective direction, and it is necessary to create "smart textile" products with specified characteristics. Attracting experts from special academic institutions and ensuring the participation of leading scientists of higher education in this research, at the same time, the use of high-tech equipment of leading production companies will allow the enterprises of the textile industry to master the production of new products.

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