

Principles of Business Model in innovative Entrepreneurship and Methods of its Organization

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Abstract

Entrepreneurship can be defined as the search for new areas of capital allocation, the improvement of production of existing products and the creation of new ones, the development of personal priorities, and the effective use of various opportunities for earning income. At the same time, entrepreneurship is defined as a mandatory use in the production of new products for the market, changing the field of activity or establishing a new enterprise or industry.

Keywords: entrepreneurship, capital, product, innovation, technology, employment, income.

Introduction

Economic reforms implemented in Uzbekistan in recent years, the goal of increasing the welfare of the population is clearly visible. In order to achieve this goal, among many measures, increasing the interest and motivation of the population in entrepreneurial activity has become a unique direction. In this regard, the President of the Republic of Uzbekistan, Sh. Mirziyoev, defines the well-being of the population of this industry as "active entrepreneur, we mean business people who are able to produce competitive products, and most importantly, create new jobs and support not only themselves and their families, but also benefit the entire society." shows that its role in providing is significant. Accordingly, according to the 29th goal of the Development Strategy of New Uzbekistan for 2022-2026: To create conditions for the organization of business activities and the formation of permanent sources of income, to increase the share of the private sector in the GDP to 80% and the share of exports to 60%. Annually holding "Open dialogue" of the President of the Republic of Uzbekistan with entrepreneurs. Establishment of 200 new industrial zones in the regions and development of the system of business incubators . Creating more favorable conditions for the development of entrepreneurship in districts with difficult conditions. Development of factoring practice based on advanced foreign experience. Reducing the tax burden on business entities from 27.5% to 25% of GDP by 2026. Improving the activity of existing structures for supporting entrepreneurship, reducing unemployment and poverty in the regions. Making the necessary information freely available for business entities to start their activities. Prevention of construction defects or problems in construction activities. Reducing state participation in the economy and opening a wide path to the private sector. Important tasks such as expanding the



introduction of free market principles in economic relations have been defined. In addition, the New Uzbekistan Strategy states: "One of the main principles of our economic policy is that if every citizen is rich, the state will be rich, and if every family is prosperous, the country will be prosperous." In addition, in our country, special attention is paid to the fact that the realization of efforts and initiatives of citizens to earn income through work and entrepreneurship is the primary task of all levels of state bodies. In a short period of time, institutions for regulating family entrepreneurship and encouraging its development were formed in our country.

Literature Review

In understanding the essence of entrepreneurship, the following points of view of American economist R. McConnell, who highlighted four interrelated activities of entrepreneurs, are particularly important:

- the entrepreneur takes the initiative to integrate land, capital and labor resources into the production and service process;
- in the process of conducting business, the entrepreneur undertakes the development and adoption of key decisions, that is, the operations that determine the direction of business development, the direction of the enterprise's activity;
- an entrepreneur is an initiative person who strives to produce new products (services), develops new production technologies or introduces new forms of business organization and development;
- S. Yu. Brew 's entrepreneur assumes the risk inherent in entrepreneurial activity, since income is not guaranteed for the entrepreneur, and losses are possible along with the investment of time, effort and skills. In such cases, the entrepreneur risks not only his time, labor and business reputation, but also the money spent.
- Samuelson P.T. , according to the teachings of the English classical economic school , an entrepreneur is a capital owner who takes risks in order to make a profit. In this doctrine, the necessary conditions for entrepreneurship to be a useful activity for the society are indicated.
- the Austrian economic school, the leadership of an entrepreneur begins with the birth of the idea of establishing an enterprise in him: he not only provides capital, but also offers a new idea, defines a plan and attracts specialists.

A. According to Marshall's conclusions, when an enterprise is established, an entrepreneur becomes a manager of theoretical and commercial issues

Thus, creativity is one of the tasks of entrepreneurship and must always be present in entrepreneurial activities.

In fact, the search for new ideas and their implementation is the most important and at the same time the most complex task of entrepreneurship, because in this case, it requires from the entrepreneur not only creative thinking and finding new solutions, but also perspective thinking and the ability to see the needs of the future society. Innovation is a special tool of entrepreneurship, an innovative form of entrepreneurial thinking.



It should be noted that any innovative activity is entrepreneurship, since it is the search for new ideas (and their evaluation, from new products to content); search for necessary resources; creating and managing an enterprise; is based on obtaining material income and personal satisfaction from its result.

But not every entrepreneurship can be innovative, only those that allow the use of entrepreneurial income and the diffusion of innovative products as a result of creation can be called innovation. Organizations that carry out innovative activities are innovative business entities.

Accordingly, two models of entrepreneurship are distinguished. The first model is classical entrepreneurship (traditional, productive, obsolete) aimed at organizing activities with the maximum return from the available resources at the disposal of the entrepreneurial organization.

In the classic model of entrepreneurship, the concept of production growth is formed, its implementation requires state support, time for activities carried out at the expense of external subsidizing factors for the entrepreneurial firm. In addition, its internal reserves are also used to increase the efficiency of the company.

The second model is innovative entrepreneurship, which allows us to talk about the concept of innovation or growth, which implies new ways of enterprise development. Innovative entrepreneurship is completely based on innovation, so the result of such activity can be a new product or a new product with mainly new characteristics and features or new technologies.

Usually, any form of entrepreneurial activity includes a small innovation opportunity, for example, the introduction of new methods of organizing the production of quality products from the organization to manage production, or using new technology. It can be carried out by the production or export of traditional products to the market, as well as by the use of some new elements or methods related to the organization of production, technical elements of production or changes in the description of product quality from production.

Research Methods

Scientific abstraction, analysis and synthesis, induction and deduction, economic-statistical analysis, comparison, grouping and other methods are used in the research process.

Results

The need for the development of innovative entrepreneurship is determined by the following factors:

- increasing the role of the intensive factor of production, which helps to apply innovations in all spheres of economic activity;
- the important role of science in increasing the efficiency of development and the introduction of new techniques;
- the need to significantly reduce the period of creation, to master new techniques, to raise the technical level of production, to mass develop creativity of inventors and rationalizers;



- the uniqueness of the scientific and technical production process, expressed by the uncertainty of the results, the multivariate nature of research, the presence of risk and the possibility of achieving negative results;
- in the decrease of the economic indicators of the enterprises in the increase of spending and the adoption of new products; in the rapid spiritual obsolescence of technique and technology; with the objective need for rapid implementation of new techniques and technology, etc.

The development of innovative entrepreneurship depends on innovations by consumers, the development of the scientific and technical potential of the national economy, and the activities of venture firms and investors financing risky innovative activities.

Table 1 lists the factors influencing the development of innovative entrepreneurship.

Table 1 Factors contributing to the development of innovative entrepreneurship

A group of factors	Factors
Economic, technological	Stock of financial, material and technical means, advanced technologies; necessary economic and scientific and technical infrastructure, state program for financing innovative activities; financial incentives for innovative activities; experimental verification of feasibility of implementing and increasing innovation, verification of competitiveness of innovation to reduce entrepreneurial risk
Political, legal	Legislative measures encouraging innovative activity, state support of innovative activity
Management-organization	Flexibility of organizational structures, democratic style of management, horizontal direction of information, prioritization of self-planning, corrections, decentralization, autonomy, formation of problem, target groups, reengineering
Socio-psychological and cultural	Moral stimulation, recognition in the public, providing the opportunity for self-expression, freedom of creative work. Normative mental environment in the work team

Innovative entrepreneurship is the process of creating new goods and technologies through the practical use of ideas and inventions. Usually, at the heart of entrepreneurial activity is the creation of a new market, innovation in the field of products or services, which allows meeting new needs. Innovation is a special tool of entrepreneurship, in which innovation is not in itself, but a focused organizational search for innovations, the systematic focus of entrepreneurial structures on them. Entrepreneurs distinguish an innovative type of thinking, and innovative activity reflects a special tool of entrepreneurship.

Thus, the task of the entrepreneur-innovator is to reform production along with the implementation of inventions, in a broader sense, it consists in the production of new products by using new technological possibilities, or the production of old products in a new way in exchange for the opening of the finished product market or the opening of a new source.



Discussion

Innovative entrepreneurship is a special creative process of innovation, economic process, which is based on regular search for new opportunities and innovation orientation. It is related to the readiness of the entrepreneur to take the risk of improving the existing project or implementing a new one, as well as the financial, moral and social responsibility arising in this process. In the process of innovative entrepreneurship, according to its characteristics, innovation through innovation is produced through practical use (products and services, high-end products) and technologies.

Innovation or innovation is the creation and use of a new process, a new tool, a product process (technical, economic, organizational, cultural, etc.). Activity tools distinguish radical innovations and innovations that improve products and styles.

There are three main types of innovative entrepreneurship, which are aimed at:

- product innovations; - technological innovations; - social innovations.

The first type of innovative entrepreneurship, respectively, is aimed at updating the sales potential of the enterprise, the intended process, in turn, increasing the amount of profit, expanding the market share, retaining customers, strengthening the independent status, increasing the prestige, and creating new jobs.

Technological innovation is a process of renewing energy, production capacity, aimed at saving and increasing labor productivity and increasing energy raw materials and other resources, which allows to increase the profit of the enterprise. It provides an opportunity to improve technical safety, carry out environmental protection measures, and effectively use the company's internal information systems.

Social innovation is a process of planned improvement of the social environment of the enterprise. The implementation of this type of innovation further expands the opportunities of the labor force in the market, mobilizes the personnel of the organization towards the set goal, and strengthens the confidence of the enterprise in relation to social obligations.

In most cases, the second model of innovative entrepreneurship is used, that is, the enterprise does not order the development of innovations, but adopts them on its own.

All types of innovative entrepreneurship are based on preparation of new types of products (goods, services), creation of goods, creation and appropriation of wealth into good things. The main and important part of such entrepreneurship is the creation and production of scientific and technical products, goods, work, information, intellectual property, which will be delivered to consumers and buyers in the future. A sample scheme of innovative entrepreneurship is presented in Figure 1.

An entrepreneur needs energy and other forms of working capital used in the process of creating scientific and technical products for the production and development of new types of products (goods, services). In addition, there may be a need for composite products, semi-finished products, i.e. ready-made components, which can be used in the production of scientific and technical products. Necessary materials, raw materials and aggregate products (M) are purchased by the company from the owners of working capital, paying their value based on the number of materials and their price.

For the production of scientific and technical products (goods, services), the enterprise also needs basic tools, buildings, special equipment, tools, etc. in the form of structures. The



organization can buy them or rent them from the owners of fixed assets for a certain period of time. For the things necessary for innovative activity, the owners must pay the amount of money, the amount of money depends on the type, number and price of the fixed assets. The payment for the lease of fixed assets depends on the period of its use.

Thus, innovative entrepreneurship is a special creative process of economic management, based on which it means regular search for new opportunities, orientation to innovation, ability to find and use resources for solving permanent problems from various sources. It is characterized by the entrepreneur's willingness to voluntarily assume all risks related to the improvement of an existing project or the implementation of a new one, to take financial, moral and social responsibility for the process that brings material income, and to be satisfied with it. Innovative entrepreneurship is the basis of all aspects of entrepreneurial activity.

Innovative entrepreneurship is both an economic situation and a process. As an economic situation, entrepreneurship is manifested as a form of production relations, production and sale for obtaining certain characteristics (work and service) for consumers, the necessary result. As an economic situation, it reflects the entire system of relations that arise in the process of selling goods (work, services) with consumers, product suppliers and other business entities, hired workers, and finally, with the state and other management organizations.

reflects a complex chain of actions - from the search (birth) of an entrepreneurial idea to the development of a specific project of the organization that allows the production of products needed for consumers. This process ends with the acquisition of a certain amount of side profit. Accordingly, entrepreneurship as a process includes four main stages:

- search for new ideas and evaluate them;
- making a detailed business plan; - search for necessary resources;
- management of the created enterprise.

Since innovative entrepreneurship is a special type of entrepreneurship, it is necessary to further divide these four stages into parts (Figure1).



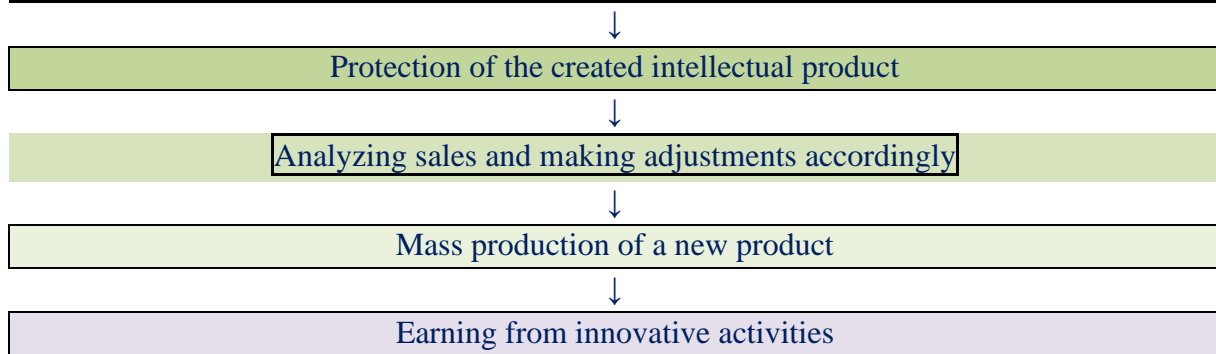


Figure 1. Stages of innovative entrepreneurship

It should be noted that the listed stages are not always carried out in sequence, some stages are often carried out in parallel, and this accelerates the process of innovative activity. In fact, together with the development of a business plan, ideas are selected and evaluated, and at the same time, the innovative organization being created can be registered with the state and an application for a patent can be filed. The stages of searching for new ideas and protecting the intellectual product being created are very important for innovative entrepreneurship.

Entrepreneurship is always based on certain ideas. The idea of entrepreneurship based on activity and courage, the innovative initiative of the individual entrepreneur is carefully thought out to every part, and it covers not only the entire production process, but also one or several of its individual parts. Focusing on the fragmentary form of the entrepreneurial idea, we will highlight the main areas of entrepreneurial activity in which the idea can be implemented:

- change of production management system;
- application of new technique or technology;
- use of new, more economical or durable material in the production of goods;
- improvement of product packaging, design;
- update of the enterprise's advertising campaign organization scheme, etc.

However, the nature of the innovative activity of the entrepreneurial firm can be manifested not only in relation to production factors, the organization of the production process itself or the product itself, but also in relation to the organization of the activities of people participating in the production process. In these cases, the business idea can be based on the following actions:

- partial or complete replacement of participants in the production process in order to "release insufficiently qualified workers";
- creation of a "specific mentality" in the team working at the expense of the conditions and interests of involvement in these goals;
- adoption of measures for efficient use of working time by each worker, etc.

Thus, we can define an innovative idea as a real possibility, such as the production of a unique product, commodity, service or their improved options or modifications, as well as new copies. It is also important for an entrepreneur to single out sources of information that help him find a certain innovative idea. Such sources can appear as clear knowledge about the market and

market needs, the emergence of new technology, materials, production methods, structural or geographical breaks in the need for a certain product in the supply, clear sources of innovative ideas:

- consumers, i.e. study of consumer demand;
- scientists engaged in new material, product features or inventiveness, allowing to create improved or unique options of product, service ;
- competitors, in some cases their activities aimed at studying consumer demand, motivating the entrepreneur to form his own innovative idea;
- sales agents, dealers and other means;
- businessmen's consultants on certain elements of innovative activity;
- employees of the organization directly.

In some companies, they actively use the employees of the enterprise as a source of innovative ideas, for this they use special methods of stimulation for the production of new goods.

In showing the sources of innovative ideas, seven sources were shown:

- 1) unexpected event (for organization or network – unexpected success, unexpected failure, unexpected external event);
- 2) incongruence - inconsistency between reality, as it really is, and our perception of it (as it is, as it should be);
- 3) introduction of innovations based on the needs of the process (needs of the process include its shortcomings and "negative areas", which can and must be eliminated);
- 4) sudden changes in the structure of the market or industry;
- 5) demographic changes;
- 6) changes in perception, mood, and value propositions; 7) new knowledge (scientific as well as non-scientific).

The first four sources are internal resources because they are owned by the industry or service sector and are therefore accessible to people working in that industry or sector. The remaining three sources of innovation are external because they are caused by the actions of the enterprise outside the enterprise or network. But the boundary between these seven innovative ideas is not fixed and interchangeable, but all seven sources are important and effective.

It should be noted that while none of the areas are of primary importance over the others, they are ranked in order of decreasing accuracy of prediction and analysis.

No industry gives them as great an opportunity as a first-line resource, a windfall for successful innovation.

Unexpected success not only shows the possibility of innovation, but also requires it, because unexpected success shows the limitations of management's vision and the need to reconcile it with economic reality. Other unexpected events in the external environment should also be considered, such as the unexpected success or failure of competitors. This resource is especially important for large and mature companies, because they have a good overview and the ability to attract more resources is important for them.

An imbalance-creating tool is demonstrated in reality, with the help of which even a small aspiration can set the entire economic mechanism in motion. Such incongruence precedes



innovation. But it is more difficult to distinguish it, because it has more of a qualitative description than a quantitative one.

The challenge that enables innovation is this: everyone in the organization knows there is a weak link, but no one takes action. However, as soon as the innovation is introduced, it is accepted as something known and quickly becomes the norm. An important moment in the use of this resource is the need to acquire new knowledge to meet the stated need.

The latest innovation for a company or industry is a market or industry development change. This content may remain unchanged for many years and appear to be stable news, when in reality it is "vulnerable". Descriptive signs of the expected change in the structure of the industry are rapid development and convergence of technologies.

One of the most important sources of innovative ideas is demographic changes (population composition, gender and age system, employment, education level income). The importance of these changes, the need to take them into account, is recognized, but at the same time, there is a strong opinion that it is not important to take these changes into account in daily work practice. Demographic changes may not be predictable in advance, but the time lag between their perception and their application is long enough that they must be anticipated. They are important for innovative entrepreneurship precisely because they are not taken into account in everyday work practices.

Another important source of innovation is the change of mind and value proposition. If the reception changes from the first emphasis to the second, there is a real opportunity for innovation. An unexpected success or failure usually means a change in mood. When such a change occurs, the facts do not change, but the attitude towards them changes.

Innovations based on new knowledge differ from other innovations by their main characteristics: time coverage, failure prediction and level of demand for the entrepreneur.

Conclusions

Based on the method of organization of the innovation process, three models of innovative entrepreneurship in the enterprise can be specified separately:

- 1) innovative entrepreneurship on the basis of internal organization, in which innovation is created within the firm by its special departments in their interaction on the basis of planning and control on the innovative project.
- 2) innovative entrepreneurship on the basis of external organizations with the help of contracts, in which and/or the order for mastering is placed between innovative organizations.
- 3) innovative entrepreneurship on the basis of an external organization with the help of ventures, in which the firm establishes subsidiary venture firms that attract funds from additional parties for the implementation of an innovative project.

The difference in time from the discovery and production of an innovation or invention to the level of practical technology and adoption by the market is about 20-25 years. This disruption is related to the introduction of innovations based on new knowledge. Distinctive signs of the introduction of such innovations are also the combination of several new ideas, some of which may not be the result of scientific research. Finally, innovations based on new knowledge, together with other fundamental ones, carry a greater share of risk. The integration of new knowledge into the system that regularly controls the sources of innovative ideas and the



systematic application of innovation management can make the innovation process more successful. Innovation based on an important bright idea is even more revolutionary. Research in many fields should be focused on finding and applying cutting-edge scientific ideas. After the birth and adoption of an innovative idea, there is a period of distribution of important tasks, formation of a certain program of action, followed by precise planning and collection of information necessary for this.

After the formation of innovative ideas, the entrepreneur selects the next priority ideas. In doing so, he must consider not only the necessity of this project, but also how certain it is to be implemented, because even a good innovative idea may not be realized if there are no funds, necessary skills, or insurmountable obstacles. Therefore, before implementing any innovation, a business firm must first determine whether a product has a good opportunity in the market (if it is a product innovation), and secondly, when making a final decision related to an innovative idea, as well as with design and research work in related works, it should include the following:

- that the profit from the project is much higher than its production;
- the income from the sale of the project and the risk related to the project should be in the ratio of the permissible limit.

In addition, even a breakthrough idea does not automatically guarantee a creative enterprise success in the market. In order to achieve the intended goal and achieve a monopoly high profit from innovative activity, the entrepreneurial firm must comply with certain conditions and meet specific requirements:

1. Competent consumers should determine the extent of their need for innovation, the economic priority in certain methods of satisfying this need. In addition, it is necessary to determine the limits of the resources that arise in the introduction, production and creation of innovation, that is, it is necessary to correctly organize a comprehensive forecast of the economic potential of the innovation.
2. For the successful development of an innovative organization, the compliance of the company's employees with certain requirements is the main condition. The age of the company's organizers (on average 30-35 years old) and their personal characteristics are important: high responsibility.
3. In the case of limited financial resources and lack of adaptation to the market, the quality of management organization plays an important role in the success of innovative enterprises. That is why small innovative organizations are more effective. Because it will be possible to achieve the result even with less use of resources.

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