



Article

The Concept of Economic Capacity of Service Enterprises and its Essence

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Abstract: This article examines the concept of economic potential of service enterprises and its essence. In this article, we have presented our scientifically based conclusions and proposals through the analysis and forecast of indicators such as the economic potential of service enterprises, the efficiency of their own income activities and the ability to sustainably grow. As a result, we have obtained a systematic strategic map aimed at optimizing the processes of managing operational processes, using resources, providing customer service and generating income. This article explores the theoretical and practical dimensions of the economic capacity of service enterprises, emphasizing its significance in the context of a service-driven economy. Economic capacity is defined as the comprehensive potential of an enterprise to utilize its available resources—such as labor, capital, innovation, and organizational competencies—to achieve optimal service delivery, ensure sustainability, and adapt to market dynamics. Unlike industrial enterprises, service enterprises face unique challenges due to the intangible nature of their outputs and the centrality of human capital and customer interaction. The study analyzes the key components of economic capacity, including financial, labor, managerial, and innovation potential, as well as the influence of the external environment. It also examines the dynamic relationship between current operational capabilities and future development potential. The findings underscore that enhancing economic capacity is essential for improving competitiveness, operational efficiency, and long-term viability in the service sector. The article contributes to the broader understanding of enterprise development by offering a structured conceptual framework that can guide managerial strategies and policymaking in service-oriented economies.

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1. Introduction

The initial sources of economic potential analysis can rightly be started with the study of such economic categories as national wealth and competitiveness, the study of which provides a lot of valuable information for understanding the essence of the concept of "economic potential". The service sector is an important sector of the world economy and plays a significant role in the economic development of all developing and developed countries. The service sector includes various services, such as education, healthcare, transport, finance, tourism, information technologies and many other areas. This sector is one of the main factors shaping economic potential, opening up new directions for production and economic growth. The essence of the economic potential of service enterprises depends, first of all, on how effectively they use their capabilities and

resources. This potential includes not only resources (human, technological, managerial and financial resources), but also innovative approaches aimed at increasing the efficiency of service processes, improving service quality and meeting customer needs. In assessing and developing economic potential, service enterprises play a huge role not only in effectively organizing their activities, but also in meeting the various needs of society. Innovation, competitiveness and strengthening the business environment are important factors in increasing the economic potential of service enterprises. This, in turn, helps to ensure economic stability and growth. Literature analysis. The first calculations of national wealth date back to the 17th century (W. Petty), and already in the 18th century the main concepts were formulated in the classical works of A. Smith and A. Turgot [1]. In the 19th century, many important topics related to economic potential were studied in the works of D. Mill, F. Quesnay, A. Marshall, but the main research of many economists was devoted to accurate calculations of the national wealth of developed capitalist countries. The concept of competitiveness was also developed by the classics of political economy, and since the 18th century, A. Smith introduced the concept of the absolute advantage of one of the countries participating in international trade in the production of a certain type of product. D. Ricardo developed these ideas using the theory of comparative advantages. The theory of comparative costs actually determined the development of the theory of the international division of labor. In the 20th century, based on the apparatus of production functions, E. Heckscher and B. Ohlin showed in mathematical form that differences in the costs of production factors serve as the basis for calculating comparative costs. At the same time, from a theoretical point of view, all these studies were used to analyze the international and domestic division of labor not by enterprises, but by entire industries[1]. In the context of a rapidly evolving global economy, the service sector has become one of the most dynamic and influential components of national economic structures. As service enterprises increasingly contribute to employment, GDP, and innovation, there arises a critical need to analyze and understand the economic capacity of such entities. The concept of economic capacity refers to the maximum potential and actual ability of an enterprise to effectively utilize its available resources—including labor, capital, infrastructure, and innovation—to generate value-added services, sustain operations, and respond to changing market demands. Service enterprises differ fundamentally from manufacturing or industrial organizations due to the intangibility of outputs, the centrality of customer interaction, and the reliance on human capital and knowledge-based processes. Therefore, defining and evaluating their economic capacity requires a more integrated and nuanced approach, incorporating both quantitative indicators (such as financial performance and productivity) and qualitative aspects (such as organizational flexibility, technological readiness, and service quality). This paper aims to examine the essence of economic capacity as it applies specifically to service enterprises. It explores the core components that constitute economic capacity, discusses the internal and external factors that influence it, and highlights its significance in ensuring the competitiveness, sustainability, and long-term development of service-oriented businesses. By clarifying the theoretical framework and practical implications of economic capacity, this study provides a foundation for more informed managerial decisions and policy interventions aimed at strengthening the service economy.

2. Methodology

A broad understanding of competitive strategy can be obtained from the works of Harvard Business School professor Michael Porter, who is considered one of the most notable authors of this concept. He developed a system of determinants of competitive advantage, called the “competitive diamond”. From this system it follows that the factors of production include material resources, information, the legal system, as well as scientific and research facilities, and argues that in order to increase productivity, the factors of production in certain regions should be improved in terms of efficiency, quality and level of specialization. Main part. Unlike national wealth and competitiveness, economic

potential allows not only to assess the achieved level of economic development, but also to reflect real opportunities for the future. In the CIS countries, this category arose in the 70s, when the conditions for the socio-economic development of the country became more complicated, production costs increased, and the problem of increasing effective production became more acute, as a result of a decrease in the profitability of production resources, an increase in the gap between the amount of costs in them and the results obtained from them. The need to change this negative situation required an integrated approach to the study of production resources. Economists were tasked with giving a generalized assessment of the real opportunities for economic growth of enterprises. Such an assessment began to be expressed in scientific works, and then in practice through the concept of "economic potential". The term "potential" is derived from the Latin word "potentia" and is directly translated into Uzbek as "power." In the socio-economic system to which all types of enterprises belong, potential is used to refer to "a set of resources that are combined, properly organized, and act as a whole to achieve some goal of an economic nature with the mandatory and controlling participation of the human factor." [2]. The possibility of developing the socio-economic system as a whole is expressed in the concept of "economic potential". There are many interpretations of the concept of "economic potential" in scientific literature. In modern publications, the term "economic potential" is often used as a macroeconomic category - a set of economic capabilities of the state or a complex that can be used to satisfy all its material needs (production, defense, the level of satisfaction of personal needs of the population). At the same time, economic potential cannot exist in isolation from other economic categories; on the contrary, economic potential operates in conjunction with other types of potential, in harmony with them. At the same time, the economic literature shows that it is more correct to understand resources as unexplored relations of reducing current and future costs of material, labor and financial resources at a certain level of development of productive forces and production capacities. Therefore, the economic essence of the concept of "resource" as an unexplored opportunity to increase production efficiency can be considered as the most complete and rational use of the economic entity, increasing production efficiency, reducing operating costs and materializing labor and resource consumption per unit of output. Therefore, it is acceptable to understand potential as a set of hidden unrealized reserves, means, opportunities, and capabilities in the activities of an economic entity that can move from potential to real opportunities when certain conditions change [3]. A broad interpretation of the semantic meaning of the term "potential" allows us to apply it to various fields of science and activity, depending on whether we are talking about "power", reserves, resources. Such a definition of the essence of potential allows it to be widely used in various fields of economic activity of enterprises and organizations, and it can be called economic potential. When studying and analyzing the concept of economic potential as an economic category, it should be noted that it has not only theoretical value, but also practical character. Let us consider in more detail the essence and content of the category "economic potential": B. Ryan defines the capacity of an enterprise as follows: "the capacity of an enterprise represents its real or potential ability to perform targeted work". Production capacity, in turn, consists of the capacity of the means of production, in particular, fixed and circulating funds and production capacities, as well as non-production capacity. Scientists of our country define production capacity as follows. For example, "production capacity is the maximum level of products that can be produced over a certain period of time using advanced technologies, advanced conditions of production and labor organization" [4].

3. Results and Discussion

Another scientist also said that "production capacity represents the production of the highest possible amount of products in a given range during a certain period (year, shift, day) with full use of the means of labor at the disposal of the enterprise." It is clear that production potential has a much narrower meaning than economic potential. The definition of economic potential given by A.I. Samoukin allows us to study its characteristics. In his opinion, the characteristics of economic potential include the following:

- a. Economic Potential Is Characterized By Real (Realized And Unrealized For Some Reason) Opportunities In A Certain Area Of Economic Activity At The Achieved Level Of Productive Forces;
- b. Since These Opportunities Can Be Used If Resources Are Available, Economic Potential Is Characterized By A Certain Amount Of Resources (Involved In Production Or Not);
- c. Economic Potential Should Be Considered In Close Connection With The Production Relations Inherent In Each Socio-Economic Formation, Which Inevitably Arise In The Process Of Resource Use And Reproduction;
- d. Economic Potential Is Determined Not Only By The Real Opportunities And Volume Of Available Resources (Used And Unused), But Also By The Real Economic Ability Of The Enterprise To Use Resources And Create The Maximum Amount Of Material And Intangible Benefits.

The potential of an enterprise with the necessary financial capacity can be used rationally in certain external conditions. Consequently, the stability indicators of the enterprise are determined by the parameters of the internal resource potential in certain external conditions. The external environment determines the needs and requirements of consumers for the products and services produced by the enterprise (works, services), the conditions for the formation of the internal competitive economic potential of the enterprise, and allows the creation of variable economic resources used to carry out the financial and economic activities of the enterprise[5].

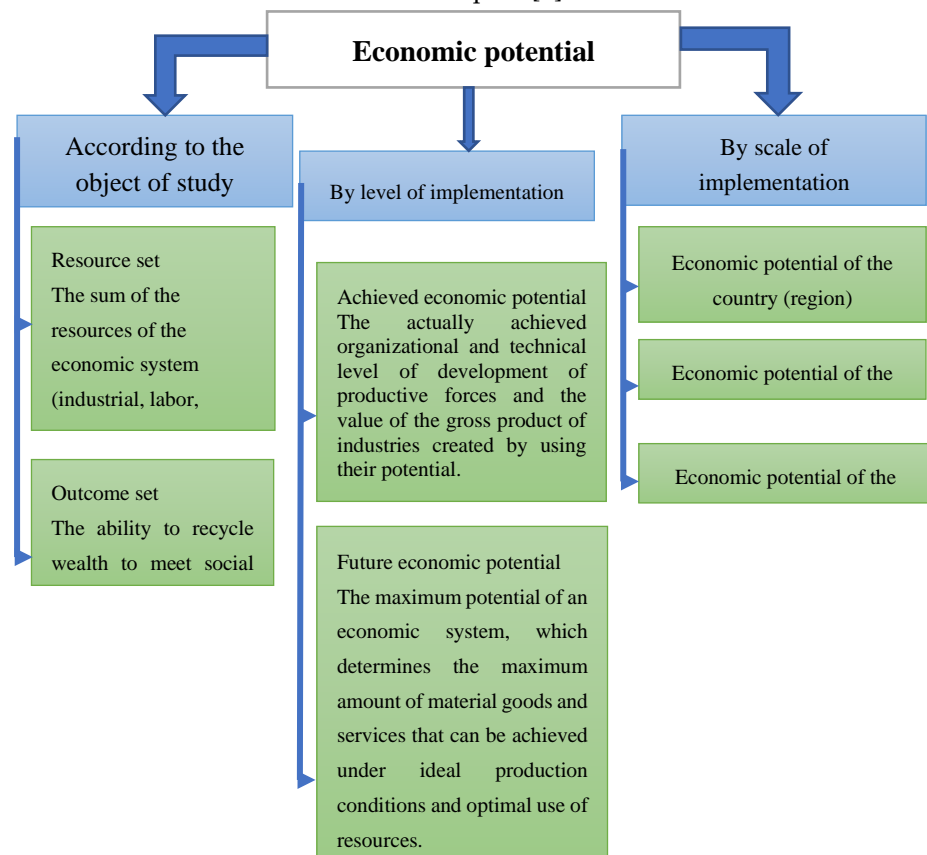


Figure 1. Classification of economic potential.

Figure 1 presents a structured classification of economic potential based on three main criteria: object of study, level of implementation, and scale of implementation. Each criterion includes specific subcategories that describe how economic potential can be assessed and understood in different economic contexts[6].

According to the Object of Study

Resource Set: Refers to the total resources of an economic system, including industrial, labor, scientific, and technical components. This dimension highlights the input base available for economic activity. **Outcome Set:** Describes the system's capacity to recycle wealth to fulfill social needs, reflecting the functional outcome of resource utilization[7].

By Level of Implementation

Achieved Economic Potential: The realized capacity of the economic system, reflecting the actual organizational and technical development of productive forces, and the gross product value generated from them. **Future Economic Potential:** Indicates the maximum achievable output of goods and services, assuming optimal use of resources and ideal production conditions. This serves as a benchmark for long-term economic planning and development forecasting[8].

By Scale of Implementation

Economic Potential of the Country (or Region): Assesses national or regional capacity based on macroeconomic indicators and available resources. **Economic Potential of the Network:** Refers to inter-organizational or sectoral potential—networks of enterprises or industries that function together. **Economic Potential of the Enterprise:** Focuses on the micro-level, analyzing the capacity and efficiency of individual firms. This figure provides a comprehensive conceptual framework for evaluating and comparing economic potential at various levels, helping economists, planners, and policymakers better understand the structure and limitations of development strategies[9].

Thus, economic potential is a generalizing indicator characterizing the development of productive forces. It combines the natural, production, scientific and technical, social and cultural capabilities of the enterprise. The size of the economic potential is determined by the volume, level of perfection and structural combination of productive forces (Fig. 1). Economic potential is characterized by various specific indicators that determine the level of provision of an enterprise with one or another type of resource in relation to the total amount of its assets (the level of provision of a particular resource), perform a certain function to characterize the behavior of certain types of resources in changing operating conditions (indicators of the liquidity of inventory and object reserves, labor productivity, material security, maneuverability of working capital, etc.) or allow determining the level of efficiency for each amount of costs invested in production. In scientific literature, the process of scientific and technical progress is cited as one of the main and driving forces for the development of economic potential, the importance of which is recognized by the constantly growing scientific and technical potential. Theoretical understanding of the essence of resources as the basis of economic development, identification of their sources, development of forms and methods of their use make it possible to formulate the principles of activating economic policy to activate economic processes. In the conditions of increasing competition in our country, the identification of economic opportunities should become a priority direction of the strategy of any business entity. The tendency of economic growth to depend on the state of economic potential is clearly manifested, has always been noted by the creators of the theory of economic growth and has been proven in practice. However, given the current state of production, achievements in the practice of enterprise management, the growing market demand for new goods and products, the expansion of the interaction of the production sector with science, and the need to consider

the innovative potential as part of the economic potential of the enterprise in solving existing problems, it is appropriate to consider it more broadly, see Figure 2[10].

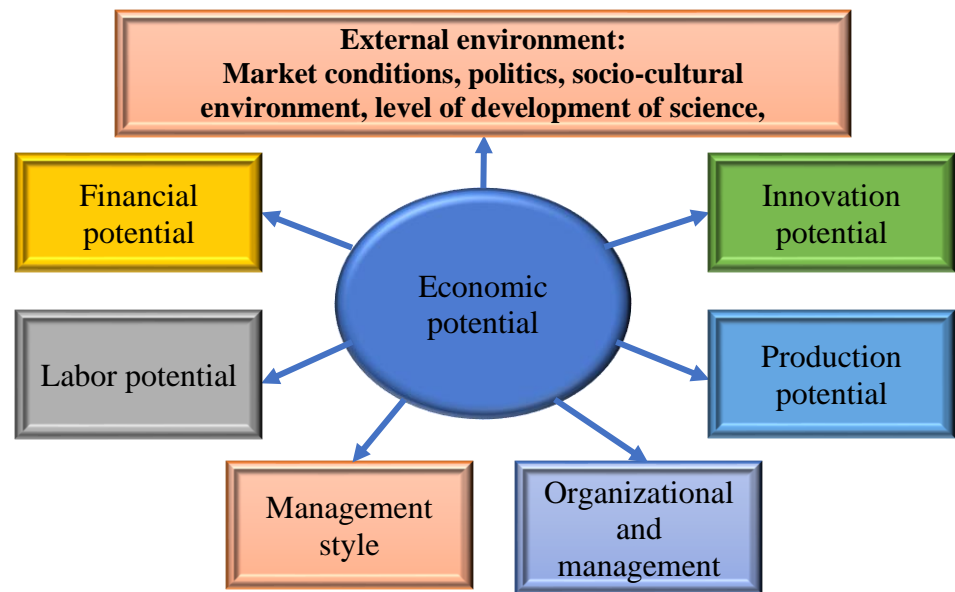


Figure 2. Structure of economic potential.

Figure 2 presents a conceptual model illustrating the components and influencing factors that determine the economic potential of an enterprise, region, or economic system. At the center of the diagram is Economic Potential, surrounded by various internal and external elements that interact to shape its magnitude and effectiveness. Together, these factors provide a comprehensive framework for analyzing economic potential as a dynamic and multidimensional construct, shaped by both internal capabilities and external influences[11]. The model underscores the importance of aligning internal strengths with external opportunities to maximize economic performance. According to the degree of utilization of economic opportunities, economic potential is divided into real (current) and prospective. Such differentiation makes it possible to assess the level of utilization of economic potential by comparing the prospective level of economic potential with its actual value[12]. The main goal is to determine the potential of the economic system. At the same time, economic potential can be classified according to other important characteristics: territorial, sectoral, organizational, managerial, reproductive, energy and power, access to information[13].

The concept of economic capacity of service enterprises encompasses a multidimensional understanding of the potential and ability of these enterprises to generate value, ensure sustainable operations, and adapt to dynamic market environments. As this study has shown, economic capacity is not limited to financial or production resources alone, but is instead a comprehensive synthesis of labor, financial, managerial, organizational, innovation, and external environmental factors[14]. These components jointly determine the extent to which a service enterprise can achieve its goals, remain competitive, and contribute to broader economic development. Understanding the essence of economic capacity involves assessing both the current level of resource utilization and the potential for future growth under optimal conditions. It requires service enterprises to evaluate internal efficiency, market responsiveness, and institutional readiness. Moreover, the integration of innovation, human capital, and customer satisfaction into the measurement of economic capacity is particularly crucial in the service sector, where intangible assets and relational dynamics play a significant role[15].

4. Conclusion

In conclusion, enhancing the economic capacity of service enterprises is a strategic necessity in today's knowledge-driven economy. It enables organizations to maximize performance, ensure long-term viability, and better serve societal and economic needs. Policymakers, managers, and researchers must therefore work collaboratively to design policies and practices that support capacity building through investment, training, digital transformation, and institutional reform. The concept of economic capacity plays a vital role in understanding and enhancing the performance of service enterprises, especially in a global economy increasingly driven by service-oriented activities. This study has established that economic capacity is a multidimensional construct, encompassing not only tangible resources such as financial and labor capital but also intangible factors like innovation potential, managerial competence, organizational structure, and adaptability to external conditions. Unlike manufacturing enterprises, service enterprises operate in environments characterized by high customer interaction, rapid technological shifts, and constant demand for quality and personalization. Therefore, assessing economic capacity in this sector requires a broader analytical lens that incorporates both operational efficiency and strategic readiness. It must consider the ability of enterprises to mobilize resources effectively, respond to market challenges, and achieve sustainable growth. The essence of economic capacity lies in its dual function: it reflects the current capabilities of a service enterprise while also indicating its future growth potential under optimal conditions. Strengthening this capacity involves targeted investment, human capital development, innovation integration, and supportive policy frameworks. In conclusion, a clear understanding of economic capacity not only contributes to enterprise-level competitiveness and resilience but also supports broader objectives such as regional development, employment generation, and economic diversification. As the service sector continues to expand globally, deepening the conceptual and practical understanding of economic capacity will remain essential for stakeholders across academia, industry, and policymaking.

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