



TOP-CONFERENCES

International Conference of Economics, Finance and Accounting Studies

International Conference of Economics, Finance and Accounting Studies is a double-blind peer-reviewed, open-access journal published to reach excellence on the scope. It considers scholarly, research-based articles on all aspects of economics, finance and accounting. As an international congress aimed at facilitating the global exchange of education theory, contributions from different educational systems and cultures are encouraged. It aims to provide a forum for all researchers, educators, educational policy-makers and planners to exchange invaluable ideas and resources.

Digital Transformation of Small Businesses: Opportunities and Prospects

Xolbutayev O'ktam Xo'jabekovich

Teacher of the "Economics and Management" department of Jizzakh Polytechnic Institute
xolbutayevoktam@gmail.com

Qurbonov Tohir

Student of Jizzakh Polytechnic Institute

ABSTRACT

This article discusses the importance of transforming public services in supporting small businesses. Small businesses play a key role in the economic development of countries, creating jobs, increasing innovation and stimulating competition. However, for small businesses to operate successfully and grow, it is necessary to create favorable conditions through effective interaction with government agencies. Transformation of public services includes the introduction of digital technologies, simplification of procedures and the creation of flexible and accessible forms of support for entrepreneurs. The article analyzes the main areas of transformation and their impact on the development of small businesses.

Keywords: small business, public services, transformation, digitalization, support, innovation, bureaucracy, entrepreneurship.

Digital transformation for small businesses means integrating new digital tools and processes to improve operations, enhance customer engagement, and drive growth. In today's competitive environment, digital transformation is no longer optional, but essential.

The "Strategy of Action for Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021", approved by Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. UP-4947, pays special attention to the issues of support and development of small and medium-sized enterprises (SMEs)¹.

Digital transformation is changing the way small businesses operate, compete and grow. The introduction of new technologies opens up numerous opportunities and benefits that were previously unavailable to small business owners. Understanding current trends and major developments can help small businesses capitalize on these opportunities.

Small business occupies an important place in the economy of any country, representing the basis for creating jobs, increasing the level of innovation and competition in the market. At the same time, small entrepreneurs face various problems associated with interaction with government

agencies, including high bureaucracy, long lead times for receiving services, and the lack of clear channels for obtaining information about government support programs.

To solve these problems and increase the effectiveness of government intervention in small business, it is necessary to transform public services.

The transformation process involves the introduction of new methods and technologies in the provision of public services, simplification of administrative procedures, improving the availability and quality of information, as well as the creation of a more flexible system of business support. The purpose of this article is to study the significance of the transformation of public services in the field of supporting small businesses, to identify factors contributing to effective transformation, as well as to analyze its impact on the development of small businesses.

The topic of transformation of public services in the field of small business support is actively studied in foreign and domestic literature. Foreign studies pay much attention to the issues of digitalization of public services. For example, works [2,3] emphasize that the introduction of online platforms and automation of administrative processes can significantly reduce the time for paperwork and increase the accessibility of government programs for small businesses. Initiatives such as “e-Government” in European countries and “Small Business Administration” in the USA are recognized as successful examples of government support through digital technologies.

Russian researchers also emphasize the importance of reforming government services for small businesses. Works [4,5] discuss existing problems and ways to solve them, including improving the legal and administrative climate for small businesses, creating multifunctional centers for the provision of public services and developing electronic services.

The transformation of state support for small businesses is also associated with the development of innovation infrastructure, such as business incubators, technology parks and start-up support programs, which is discussed in detail in studies [6,7].

The digital economy is a digital transformation of public services, which should ensure an end-to-end process from creation to provision of services in digital form, automatically and in a minimum period of 1 day [8]. Today, according to statistics, small and medium-sized businesses (hereinafter referred to as SMEs) are the basis of the socio-economic well-being of the countries of the European Union. Small business is characterized by flexibility, agility, and the ability to quickly respond to the slightest changes in economic conditions and market requirements. This helps to expand the range and improve the quality of goods and services, introduce innovations and new technologies, and also plays a significant role in creating new jobs and, as a consequence, reducing unemployment [9].

To study the significance of the transformation of public services in the field of small business support, the following methods were used: documentation analysis, literature review, statistical, comparative, analytical methods.

Global digitalization is already underway, but the following points remain relevant for now [8]:

- the need for personal visits to government agencies;
- refusal to provide a service after the scheduled period;
- it is difficult to understand the conditions for receiving the service;
- long wait for the result of the service.

The process of providing public services in the context of digitalization should be divided into two sub-processes - the process of developing digital regulations and the process of providing services in accordance with the regulations. The key task that is being solved as part of the digital transformation of public services is to ensure an end-to-end process from development to provision of services in digital form. Completing this task will ensure:

- the identity of formal regulations with the actual processes of service provision;

- reducing costs for the development of digital services;
- reduction of the overall period of service provision;
- optimization of service provision processes for their digitalization in accordance with the target model according to the principles of registry, omnichannel, extraterritoriality, proactivity and exclusion of human participation from the service provision process [8].

The discussion section examines key aspects of the transformation of public services that have an impact on the development of small businesses, as well as an analysis and interpretation of the results obtained.

In particular, attention is focused on the impact of digitalization, simplification of administrative procedures, the development of flexible forms of support, as well as identified problems and limitations.

1. The impact of digitalization on the transformation of public services.

Digitalization plays an important role in the transformation of public services. The introduction of electronic platforms can reduce the time for processing requests, as well as increase the availability of information on small business support.

In Russia, the “State Services” project is a striking example of the successful digitalization of public services, which allows entrepreneurs to submit applications, receive consultations and complete documents online. However, despite the successes, there are a number of problems, such as insufficient awareness of entrepreneurs about new services and the need to improve interfaces for the convenience of users.

2. Simplification of administrative procedures.

One of the key areas of transformation is the simplification of administrative procedures. Reducing bureaucratic barriers and optimizing document flow significantly reduces time and costs for entrepreneurs. Programs aimed at simplifying registration and reporting, such as “One Window”, have a positive impact on the development of small businesses, but in some cases there are difficulties with local implementation due to inconsistency between the actions of various government bodies.

3. Development of flexible forms of support.

An important element of the transformation is the provision of flexible and personalized services for entrepreneurs. Small companies, especially at the beginning of their journey, often face a lack of information and resources. Therefore, the creation of support centers, business incubators, and the provision of consulting services taking into account industry specifics helps small businesses develop more effectively and adapt to changes in the market.

4. Problems and limitations. One of the main problems faced by entrepreneurs is the low level of digital literacy of some user groups, which reduces the effectiveness of digitalization of public services. The problem of overload of government agencies also remains relevant, which leads to delays in the processing of applications and requests. Therefore, an important direction is to further improve the infrastructure and train both entrepreneurs and government officials.

5. Impact on the economy and business climate.

As a result, the transformation of public services has a positive impact on improving the business climate in the country. Improving access to government services, simplifying procedures and increasing the efficiency of interaction with government agencies contribute to the growth of entrepreneurs’ confidence in the state and create more favorable conditions for doing business. These changes help reduce administrative barriers and increase competitiveness in the international arena.

6. Innovative approaches to public services.

One of the interesting areas of transformation of public services is the use of innovative technologies such as artificial intelligence (AI), blockchain and big data. These technologies can significantly improve the quality and speed of services provided. For example, AI can be used to automatically process applications and requests from entrepreneurs, as well as identify potential errors and inconsistencies in documents.

The use of blockchain technologies can ensure transparency and security when conducting transactions and processing documents, which is especially important for small businesses, which often face risks of fraud and corruption. The introduction of such technologies into the sphere of public services will significantly increase the trust of entrepreneurs in government agencies and increase the efficiency of interaction.

However, introducing such innovative solutions into government services for small businesses requires significant investment and time to adapt technology. At the moment, in most countries these technologies are just beginning to be introduced, and their widespread use is still limited.

7. The influence of state support on the development of entrepreneurship.

The transformation of government services aimed at supporting small businesses has a significant impact on the overall economic climate and stimulates entrepreneurial activity.

Programs to simplify access to finance, start-up subsidies and taxation are important for creating new jobs and developing entrepreneurial initiatives. Research shows that small businesses that receive government support are much more likely to survive and grow in their early years. While entrepreneurs who cannot receive such assistance face high risks, including financial difficulties and the inability to adapt to changes in the market. One of the important results of the transformation is the growth of small business confidence in government institutions.

CONCLUSION

The transformation of government services in the field of supporting small businesses is a critical step towards creating an effective system of supporting entrepreneurship. The introduction of digital technologies, simplification of administrative procedures and the development of flexible forms of support help improve business conditions, reduce bureaucratic barriers and create a more attractive business climate. However, the transformation process faces a number of problems, such as insufficient digital literacy of entrepreneurs, overload of government agencies and uneven implementation of reforms in different regions.

The main results of the transformation include increasing the efficiency of interaction between small businesses and government agencies, improving access to financing and government support, as well as creating new jobs and stimulating entrepreneurial activity.

In the future, it is necessary to continue work on the digitalization of public services, expand training programs for entrepreneurs, and introduce innovative technologies such as artificial intelligence and blockchain to improve the quality of services provided.

The transformation of public services not only contributes to the development of small businesses, but also has a positive impact on the social sphere, improving the quality of life of citizens and strengthening the economic sustainability of the country. Therefore, it is important to continue to support small businesses through effective government initiatives aimed at their development and support.

LIST OF REFERENCES USED

1. Холбўтаев, Ў., Суванов, У., & Ўсқанов, Ш. (2021). ЙЎЛ БЎЛАКЛАРИНИНГ ҲАРАКАТЛАНИШ ХАВФСИЗЛИГИГА ТАЪСИРИНИ ИҚТИСОДИЙ ЖИҲАТДАН БАХОЛАШ. *Academic research in educational sciences*, 2(3), 109-116.

2. Xo'jabekovich, X. O. K., & Samandar, N. (2024, November). Main Tasks of Corporate Management in Enterprises. In International Conference of Economics, Finance and Accounting Studies (Vol. 11, pp. 4-6).
3. Xo'jabekovich, X. O. K., & Samandar, N. (2024, November). Respublikamizda Moliyaviy Tizimni Takomillashtirish. In International Conference of Economics, Finance and Accounting Studies (Vol. 11, pp. 7-12).
4. Xo'jabekovich, X. O. K., & Samandar, N. (2024, November). Studying the Efficiency of Corporate Governance in Our Country. In International Conference of Economics, Finance and Accounting Studies (Vol. 11, pp. 1-3).
5. Xo'jabekovich, X. O. K. (2024, December). Issues of Improving Employment in the Innovative Economy. In International Conference of Economics, Finance and Accounting Studies (Vol. 12, pp. 53-56).