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## IMPORTANCE OF LOGISTICS IN SMALL BUSINESS DEVELOPMENT

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**Abstract.** *Nowadays, multimodal logistics centers and logistics industry play an important role in shaping far-reaching development of specialized manufacturing and international cooperation. As one of key sectors of increasingly stressed global economy, countries are faced with the task of bringing together real factors and resources of economic growth, as well as development. Sectors that determine economic potential. These processes pose a significant challenge to landlocked states of Central Asia, such as development of transport corridors especially in the case of Uzbekistan.*

**Keywords:** *delivery, loading, packaging, processing, storage, marketing, goods, raw material, economy, transport corridors, logistics, social welfare, transport system.*

One of important conditions of state economic policy is goods and consists of penetration of services into world market. Transport and logistics system are considered as the main factor in implementation of the process. The activities of small business entities, further development of logistics infrastructure for development and improvement is also necessary. It is an important sector of national economy favorable for the development of small business, and private entrepreneurship creation of business environment has a special place in the development of our economy. We are not developing this sector currently, but the future of our economy is difficult to provide.

It should be noted that every year 90 percent of jobs created in our country are accounted for private sector. The fact that more than 5 million people, especially our youth, are working in this network today shows that its role in our social life is increasing not only economically. Therefore, if we want to improve further our economy and social sphere, we need to create all opportunities and conditions for development of entrepreneurship. But it is worth noting that production and road in regions, insufficient development of infrastructure, energy supply instability, as well as relatively low enforcement discipline in the field, some problems regarding financing of small business entities, the availability, in particular, of collateral and information related to lending system issues in the way of development of business entities can be observed and obstacles still remain. Private property and further development of private entrepreneurship in this field giving freedom, eliminating all obstacles and restrictions on this path is an important priority. Today, infrastructure and



logistics are two sides of coin. Due to intensive development and use of transport and logistics infrastructure has become important and integral part of economy and tool for development of the country. It is especially important in a global economy where economic opportunities most often associated with mobility of labor and goods, including information and communication technologies. It is necessary to consider factors such as quantity and quality here. Based on above information and static data it can be concluded that logistics is not only cargo and transport, it is infrastructure development, people's lives and economy. Developed logistics helps people to mix inside and outside the country easily and quickly, for entrepreneurs gives the opportunity to move their goods export, and will give the pace of development for the economy.

Logistics is a movement and a step forward, without it the economy will go slowly for this reason, logistics must be waved. All these factors are results of well-coordinated logistics in these areas. But as mentioned above, there are other directions that need to be waved. These are road and air. In authors opinion, it is necessary for Uzbekistan to pay attention to roads, because the landscape of the country is very diverse from the steppes to high peaks. This is one of priority tasks in our country develops business and private entrepreneurship. Financial, industrial-innovative and small business and private as a result of concentration of recreational leaders there are 3 factors of business development environment.

Factor 1: low cost for local entrepreneurs and producers and will have the opportunity to fill domestic market with its products. Small business does not require much capital and with cheap transportation, establishing fast and high-quality delivery to any part of republic possible. In addition, the use of innovative technologies, capital as a result of increase and saturation of domestic market, later entering foreign market and opportunity to operate in global scale arises.

Factor 2: implementation of above services based on logistics centers will stimulate the development of small business and private entrepreneurship. This state will benefit in every way. Because this industry is subject to any economic conditions, it can adapt to monthly basis and is the most powerful development tool in times of crisis is considered in addition, employment rate of population increases and living standard with its improvement, socio-economic potential of the country will increase.

Factor 3: private logistics companies are developing as a result of concentration and competition of leaders in our country. Any material flow is fast and good quality due to delivery; mobilization of sectors will increase. Over the past decade, there has been an increase in logistics costs of many companies for such complex logistics functions as transportation, order processing, information and computer support, logistics administration.

On the other hand, logistics interacts with production in marketing process for finished products. Managing material flows in the process of implementation



and having comprehensive information about market sales, logistics service, of course, should participate in formation production schedules for finished products. Small business logistics systems are successfully formed and operate effectively under the following conditions:

- conjugation of interests of all participants, one way or another involved in small businesses and affecting the organization and optimization of economic flows;
- presence of unity of purpose within each logistics system and consistency of goals of adjacent systems;
- ability of each individual participant (element) of a system to give up part of their powers and benefits to maximize the total system effect;
- possibility of developing and conducting within the framework of unified system technical, economic and social policy;
- formation of reserves (insurance funds) to compensate for losses uncertainty and elimination of mismatch in a system;
- control subsystem of logistics system should be adequate to complexity of logistics process, i.e. control object.

Especially the latter concerns regional logistics center of small business, the main objectives of which should be:

- encouragement and support for the development of small businesses and individual
- entrepreneurship in region;
- creating conditions and starting opportunities for residents to choose region of self-employment as main occupation and source of personal income;
- development of network of small businesses that meet the interests of forming rational structure of region economy, ensuring the creation of new jobs and more complete saturation of the market of goods, works and services in the conditions of development of competition;

formation of normative and methodological base of entrepreneurial activities, ensuring legal protection of small entrepreneurship.

Under local-regional small business logistics system, there understand the integrated logistics system of small business, ensuring the organization of management of economic flows of the company in line with corporate goals. Abstracting from external for small enterprise flows, principal model of local small business logistics system can be represented as an organization management of intracompany material flows, as well as related with them flows of labor resources and information.

Overall, in the field of logistics activity is multifaceted. It is transport, warehousing, stocks, personnel management, information systems, commercial activities and many others covers the organization. Principle innovation of logistic approach the above-mentioned fields of activity are well organized management and creation of high-performance material handling systems is to ensure the interdependence of the purpose.



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