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THE CONCEPT OF EFFICIENCY AND EFFICIENCY OF THE ENTERPRISE

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Abstract: This article examines in detail the efficiency of the enterprise and its history.

Keywords: entrepreneurship, small business, infrastructure, innovation, employment, poverty, private sector, savings, business environment.

One of the main conditions for the emergence and development of any form of economic management in a certain socio-economic system is determined by the level of its efficiency. Effective management is one of the main factors that determine the viability and development of the economy in a competitive market environment. At the same time, the economic resources used in the production process (land, capital, labor, etc.) are limited, and this situation requires their most effective and efficient use.

Benefit is a broad concept, as a result of any measure or activity, it is expressed in the effect of the use of fertilizers, increasing the productivity of crops, increasing the productivity of feed, and increasing the productivity of animal husbandry. But this effect, i.e., increased yields and productivity, does not indicate how beneficial these measures are. The extent to which the costs associated with the use of fertilizers and feed are recovered are known only when the result obtained from these costs is compared with the income. As a result of the application of fertilizers and feed, an increase in crop yields and livestock productivity represents the technical efficiency of the measure, and a comparison of the revenues generated by the measure with the costs associated with the event represents cost-effectiveness.

Economic efficiency is a useful result obtained from the use of means of production and living labor, or the result obtained per unit of total resources. When evaluating a particular measure or determining its size, it is necessary to know the criterion of economic efficiency. In a market economy, since each enterprise has full economic and legal independence, its main goal is the full and efficient use of the resources assigned to it, and the more income and profit it receives per unit of these resources, the more competitive it is. This will have many benefits.

Economic efficiency means the efficient use of limited resources and the maximum satisfaction of society's unlimited demand for goods and services.

Production efficiency is a very complex economic category. This is the ratio of economic

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activity, economic programs and measures on the scale of the enterprise to useful results, the ratio of the economic effect obtained to the largest volume of production using resources of a certain value. to the consumption of resources is characterized. Production efficiency shows the final result of the company's activities. Quantitatively, production efficiency can be measured by the amount of labor spent on the production of a product, but it is difficult to accurately measure labor intensity. Therefore, production efficiency is the efficiency of the use of labor resources; is determined by the indicators of the efficiency of the means of production and capital. The general indicator of production efficiency at enterprises is an increase in the rate of production, in addition to it, the volume of output per unit of monetary costs, the ratio of balance sheet profit to the sum of fixed and circulating assets, as well as the total cost indicators. Such indicators as the growth rate of labor productivity, labor saving, and the contribution of labor productivity to the growth of output are also used. Production efficiency is formed at the expense of technical efficiency (production volume), economic efficiency (labor productivity, labor resources, fixed assets, working capital), social efficiency (material resources, profit). It represents objective economic laws, the basis of activity. social production reflects the result, that is, the effect. A consequence or result is the goal of any activity. It is necessary to distinguish between the concept of efficiency and the concept of economic efficiency.

In economic theory, it is believed that economic growth depends on the ratio of income to consumption and investment. If the dynamics of consumption indicates the ultimate goal of the economy and the improvement of the standard of living of the population, then a change in the volume of investment means an increase in resource capabilities and the materialization of technical innovations. There is a sufficient substitution between consumption and investment, since an increase in current consumption reduces the share of investment in income. As a result, this reduces the possibilities for economic growth. Economic growth is measured in real and relative terms. Whether economic growth will be measured by an increase in absolute GDP or an increase in real GDP per capita depends on the purpose of the assessment. Usually, a country's economic growth is measured by the increase in absolute GDP when assessing its economic potential, and the measurement of real GDP per capita is used to compare living standards. in the country.

Enterprise efficiency is the ability of an enterprise to produce higher and increasing profits (or other financial indicators) than its competitors in the short and long term.

The efficiency of the enterprise is determined by the final financial result - profit or other financial indicator (hereinafter we understand the term "profit" in this expanded sense). In a competitive environment, the efficiency of the enterprise is of paramount importance only in relation to competitors. If the efficiency of the enterprise is at the level of competitors or higher, it is competitive, otherwise it is forced to leave the market.

The efficiency of the enterprise cannot be determined by the results achieved immediately. At the same time, a momentary high profit is not an indicator of efficiency, but it has a significant impact on it. Both short-term and long-term perspectives are important for determining effectiveness. All competitive enterprises are constantly improving their activities, increasing efficiency and profits. And the company should pay attention to constant and maximum growth, keep an eye on competitors.

Studies of the efficiency of enterprises and their implementation were freely studied by the English economist Thomas Moon, and several works were written. In his 1610 book The Great Theory of Economics, Thomas Moon argues that the efficiency of an enterprise can be measured, or measured by the strength and resources of its suppliers.

Another economist, William Petty, said that location was important along with resources for the efficiency of an enterprise, and considered it a factor that had a great impact on revenues. In addition, William Petty said that in areas with a shortage of resources, especially food. industry, or wrote that it is necessary to allocate a subsidy from the state for the construction of an enterprise.

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