

Evaluation of The Enterprise's Economic Potential

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ABSTRACT

Objective: This article aims to analyze methods for assessing economic potential, evaluate key financial and production indicators, and propose practical approaches for agricultural enterprises to enhance their efficiency in Uzbekistan, where the strategic importance of rural development and food security is rising. **Method:** The study utilized systematic, comparative, statistical, and econometric methods to analyze production capacities, financial stability, profitability, and resource utilization. **Result:** Findings demonstrate that effective economic analysis must integrate quantitative assessments, such as liquidity and solvency ratios, with qualitative approaches including SWOT, PEST, and GAP analyses. Production capacity evaluation methods, such as monetary valuation, index, and resource-regression approaches, were identified as crucial for strategic planning. The research offers a holistic framework combining financial, production, and biological potential assessments, emphasizing the role of innovative and diversification strategies in strengthening enterprise resilience. **Novelty:** Despite existing studies, comprehensive methodological frameworks for evaluating economic potential that consider sector-specific factors remain underdeveloped in Uzbekistan, and this study contributes a synthesized, integrative framework tailored specifically to the agricultural sector to support evidence-based decision-making.

INTRODUCTION

In the context of today's dynamic and rapidly evolving economy, a company's economic potential plays a critical role in ensuring its sustainable development and maintaining competitiveness. Economic potential refers to the combination of a firm's financial and production capabilities, along with its market position, that collectively define its capacity for future growth. Consequently, the accurate analysis and evaluation of economic potential are essential for shaping strategic plans and enhancing overall operational efficiency [1].

Under conditions of economic globalization and intensifying market competition, enterprises are compelled to manage their resources efficiently, explore new opportunities, and secure competitive advantages. In this regard, research on modern methods of analyzing economic potential and the mechanisms for their practical implementation has gained increasing relevance and urgency [2].

This article examines the methods used to analyze and assess a company's economic potential, with particular emphasis on the evaluation mechanisms based on financial and economic indicators. Furthermore, the study explores how these factors influence enterprise growth and development, providing insights into effective strategic and operational decision-making [3].

Literature Review

The issues related to the management and assessment of the economic potential of agricultural enterprises have been extensively studied by numerous national and international scholars. In the international context, innovative management approaches, digitalization, and efficient resource allocation are considered key focal points in this area [4].

For instance, Russian expert S. Ekimov conducted an in-depth analysis of the production potential of agricultural enterprises and proposed ways to enhance this capacity. Another Russian specialist, N. Zinina, explored methods to strengthen economic potential through the enhancement of entrepreneurial capacity in agricultural enterprises. Ukrainian researcher V. Antoshchenkova addressed issues related to ensuring national food security and rural development through the efficient utilization of resource potential in agricultural enterprises. Polish scholar Małgorzata Matyja extensively discussed the resource base and capacity enhancement strategies aimed at increasing the competitiveness of agricultural enterprises in her scientific works. Belarusian economist Samakhavets revealed approaches to improving the financial potential of agricultural enterprises in his studies. Additionally, Russian researcher V. Podkopaev focused primarily on the analysis of economic potential of agricultural enterprises in his research [5].

In the context of Uzbekistan, research focused on the development of the agricultural sector and improvement of enterprise efficiency has intensified in recent years. I. Umarov emphasized issues related to enhancing the managerial capacity of agricultural enterprises in his studies. Z. Shoniyozova highlighted the importance of state support in increasing the financial potential of agricultural enterprises in her research findings. N. Nosirova examined the problems of enhancing the export potential of small business enterprises operating in the agricultural sector in her scholarly works [6].

The analysis of the reviewed literature indicates that there is no comprehensive and systematic assessment framework for studying the economic potential of agricultural enterprises. Furthermore, there is a lack of well-developed methodological approaches for evaluating economic potential in Uzbekistan. Therefore, the development of modern methodological foundations for the accurate assessment and effective management of economic potential remains a pressing and relevant issue [7].

RESEARCH METHOD

The present study utilized a multifaceted scientific and methodological framework to thoroughly analyze and evaluate the economic potential of the enterprise. A systematic analysis approach was applied to identify and delineate the fundamental factors that constitute the enterprise's economic potential, ensuring a comprehensive understanding of its underlying components [8].

The comparative method was employed to juxtapose economic performance indicators across various enterprises, facilitating an assessment of relative efficiency and

effectiveness. This approach enabled the identification of best practices and highlighted areas for potential improvement through benchmarking [9].

Moreover, advanced statistical techniques and financial analysis tools were integrated to evaluate key metrics such as financial stability, profitability ratios, asset utilization rates, liquidity, and solvency indicators. Visualization tools including graphs, charts, and tables were systematically used to present the data in a clear and interpretable manner, enhancing the analytical rigor of the research [10].

In addition to empirical data analysis, the research was grounded in an extensive review of relevant scientific literature, normative-legal frameworks, and official statistical databases. This holistic approach ensured that the findings are both contextually relevant and methodologically robust, providing a solid foundation for evidence-based conclusions and strategic recommendations [11].

RESULTS AND DISCUSSION

Ensuring the effectiveness of economic analysis is impossible without its proper and systematic organization. Economic analysis organization primarily involves defining its objectives and tasks, distributing responsibilities among enterprise divisions, conducting both internal and external analyses, determining methodological approaches and tools, as well as establishing procedures for developing, adopting, and implementing measures aimed at enhancing the enterprise's efficiency [12].

Effectively organizing economic analysis plays a critical role in centralizing the process of enterprise performance evaluation, directing it toward clearly defined objectives, and substantiating strategic decisions. This process provides a foundation for the adoption of scientifically grounded managerial decisions aimed at ensuring sustainable development of the enterprise [13].

The methodology of economic analysis encompasses a set of specialized methods and techniques focused on studying economic processes and their outcomes. This methodology serves to make the analysis content systematic and logically coherent. The implementation of economic analysis typically involves the following technological stages:

- a. Defining the object, goals, and objectives of the analysis and developing an analysis plan – this stage enables strategic direction setting and clear allocation of tasks.
- b. Forming a system of indicators representing the object of analysis – selection of precise, quantitative, and sector-specific indicators to evaluate economic processes.
- c. Collecting and preparing necessary data for analysis – involves gathering reliable data sources, thorough verification, and preparing data for in-depth analysis.
- d. Conducting comparative analysis of actual economic performance against planned indicators, previous periods' data, sectoral averages, and competitor results – using dynamic and comparative methods to assess operational efficiency.
- e. Factor analysis and determination of their impact on enterprise performance – scientifically evaluating the extent of influence of various factors on specific performance indicators.

f. Identifying unused and prospective reserves – determining opportunities to optimize production and mobilize additional resources.

Evaluating economic performance based on factor influences and reserves, and developing recommendations and measures for resource utilization – the results of the analysis form practical proposals aimed at enhancing enterprise efficiency [14].

The study employed modern scientific and methodological approaches to comprehensively analyze and evaluate the economic potential of the enterprise. Specifically, logical analysis was conducted through comparison, grouping, and graphical methods applied to economic indicators. These approaches enabled the identification of dynamic changes, structural interdependencies, and key directions within the enterprise's operations [15].

To determine the factors influencing enterprise performance, determinant (factor) analysis methods were utilized, including chain substitution, absolute differences, and index evaluation techniques. This allowed for a quantitative assessment of the primary factors shaping the economic outcomes [16].

Furthermore, advanced statistical techniques such as correlation and regression analyses, trend and dispersion analyses were applied to thoroughly examine statistical data and analyze long-term changes. Economic-mathematical methods based on modeling – such as linear programming, network models, and simulation modeling – served as crucial tools for assessing optimal resource utilization within the enterprise [17].

Management analysis tools were extensively employed as well. Through SWOT analysis, the enterprise's internal strengths and weaknesses, as well as external opportunities and threats, were identified. PEST analysis was used to examine the political, economic, social, and technological environment. Additionally, GAP analysis helped reveal discrepancies between planned and actual results [18].

The application of these methods provided a reliable and analytical foundation for assessing the enterprise's production capacity and efficiency. Accurate and appropriate evaluation of production capacity supports effective planning and implementation of both daily operations and long-term development strategies. Consequently, this ensures the enterprise's current solvency, strengthens its competitive position in the market, and stabilizes its standing within the industry network [19].

In the study of the production potential of agricultural enterprises, it is essential to apply sector-specific methodological approaches that take into account the particular characteristics of the field. This involves calculating industry-relevant analytical indicators. Production capacity, including the efficient and purposeful use of fixed assets and production facilities, directly affects product quality. Moreover, the rational use of these resources is a key factor in ensuring the enterprise's competitiveness, consolidating its market position, and achieving economic stability [20].

One of the critical issues to consider when organizing an effective and precise economic analysis, including the assessment of an enterprise's production capacity, is the designation of a “**responsible unit**” to carry out this process.

In practical terms, these responsibilities typically fall under the enterprise's economic or financial service department. In today's rapidly changing market environment, it is imperative that the personnel of this service continuously analyze their enterprise's production capabilities.

Such systematic analysis:

- a. Enables the creation of a continuous information database regarding the actual utilization level of the enterprise's production capacities;
- b. Serves as a foundation for scientifically grounded formation of the enterprise's long-term development strategies and production-financial plans.

In particular, for agricultural enterprises, accurate assessment and efficient utilization of production capacity first require a profound understanding of the economic essence of this capacity. This necessitates the development of specialized analytical methods that consider sector-specific characteristics, the composition of production resources, and their potential for renewal.

As M. Abdujabborova emphasizes, "production capacity is a complex socio-economic system aimed at achieving the maximum production output through the most efficient utilization of interrelated production resources".

This concept encompasses not only the aggregate of resources but also their interdependencies, management mechanisms, and the level of resulting efficiency. The enhancement of capacity is realized through proper allocation of resources, full activation of their potentials, and technological modernization.

Various methodological approaches exist for evaluating the production capacity of enterprises, which include the following:

- a. Monetary Valuation of Capacity Components. This approach involves determining the monetary value of each resource constituting the production capacity.
- b. Index Method. Evaluates the dynamics of production capacity by conducting comparative analysis of changes in various indicators.
- c. Resource-Regression Method. Utilizes statistical regression models to identify relationships between resources and production outcomes.
- d. Indicative Method. Assesses and monitors production capacity based on indicators aligned with the enterprise's strategic goals.
- e. Priority Resource Evaluation Method. Focuses on prioritizing the most critical and influential types of resources to assess the overall capacity level.

Utilizing these methods enables a comprehensive, systematic, and dynamic assessment of an enterprise's production capacity.

Economist M. Tojiboyeva proposes the following system of indicators for the precise and effective evaluation of production capacity:

- a. Potential Annual Production Capacity (in physical units) – indicates the maximum production volume achievable through full utilization of existing equipment and technologies.
- b. Potential Annual Gross Output (in monetary terms) – reflects the total value of goods, services, and products, representing the enterprise's market potential.

- c. Potential Added Value or Net Product (in monetary terms) – captures the new value created during the production process, crucial for assessing internal efficiency.
- d. Potential Net Annual Income – the net economic value generated by production, representing the volume of net output.
- e. Potential Balance Profit (under various pricing strategies) – estimates total profit obtainable under different market conditions, serving as a key metric for strategic planning.
- f. Estimated Net Profit After Taxes – shows the net profit remaining in the enterprise after fulfilling all mandatory tax obligations.

When analyzing the production capacity of an enterprise, several key areas demand particular attention. These areas allow for a thorough evaluation of economic efficiency, the extent of resource utilization, and the identification of promising development opportunities.

Firstly, within the analysis of material and technical resources, the structure and current condition of fixed production assets, the level of equipment and technology modernization, as well as the turnover and depreciation rates of these assets are examined. This analysis serves as a fundamental criterion for evaluating the efficiency of production means.

Secondly, the analysis of labor potential involves assessing the workforce size, their professional qualifications, labor productivity, and the extent of hired labor utilization. Rational use of labor resources is one of the critical factors ensuring continuity and efficiency in the production process.

Thirdly, for enterprises operating in the agrarian sector, special emphasis is placed on the analysis of land and natural resource utilization. This includes the efficient use of land areas, soil fertility, environmental conditions, and the level of land reclamation.

Fourthly, the analysis of production capacity utilization involves identifying the gap between the enterprise's full production potential and its actual production volume. Additionally, the capacity utilization coefficient and available capacity reserves are taken into account.

Fifthly, within the scope of economic efficiency analysis, indicators such as gross output volume, net product and added value, total profit, profitability ratios, balance profit, and net income after taxes are examined. These indicators play a crucial role in assessing the financial condition of the enterprise.

Sixthly, the analysis of innovative capacity includes evaluating the level of new technology implementation within the enterprise, the number of completed scientific and technical developments, and the volume of investments directed towards innovation activities. This aspect is considered one of the key factors ensuring competitiveness and sustainable development.

The primary goal of conducting an economic analysis of production capacity is to study its current state, structure, and dynamics, as well as its constitutive elements. Additionally, it aims to identify both positive and negative factors influencing the

realization level of capacity, pinpoint existing bottlenecks or problematic areas, and develop measures to eliminate them.

To achieve this objective, the following analytical tasks are proposed:

- a. To determine the quantity, structure, and dynamics of material, labor, and capital resources;
- b. To evaluate the quality of the normalization system for the utilization of main production and labor resources;
- c. To identify bottlenecks in specific resource types or technological processes and develop recommended measures to address existing deficiencies;
- d. To assess the quality of production capacity utilization planning, the validity of planned indicators, and their alignment with actual achievement levels;
- e. To detect inefficient elements within the production capacity and prepare proposals for their future use;
- f. To analyze the level of efficiency in using production and labor resources and assess the impact of key factors on production capacity indicators;
- g. To identify reserves for improving the efficiency of production capacity utilization.

According to V.P. Bocharov and A.A. Kruglov, the methodology for evaluating and analyzing production capacity includes three main stages:

Preparation Stage

At this stage, the current state of the production capacity of the economic entity is determined, and a classification system is created to provide a clear assessment of its condition. The capacity levels are described as follows:

- a. High level – all functional components (labor, material, financial, technological) are balanced, the enterprise operates efficiently, and it has the potential to fully achieve its strategic objectives.
- b. Medium level – some deficiencies exist but can be addressed; these do not pose a serious threat to the enterprise's stable operation and development. Such enterprises usually require rationalization or restructuring measures.
- c. Low level – systemic and recurring problems are present in all key parameters of production capacity, which may lead to a crisis. Enterprises at this level require anti-crisis management and restructuring.

Analysis (Calculation and Evaluation) Stage

At this stage, integral and specific indicators are developed to determine the level of production capacity utilization. The analysis is carried out based on the following key components:

- a. Fixed assets – consumption level, modernization, re-equipment, and participation in innovative projects;
- b. Current assets – turnover rate of raw materials, materials, and finished goods, as well as warehouse efficiency;
- c. Financial resources – structure of funds, liquidity, financial stability, and investment activity;

- d. Labor resources – workforce qualification, labor productivity, employee turnover, and quality of working conditions.

Key performance indicators include production return, resource efficiency, value creation coefficient, and comparative cost indicators.

Final Stage

Based on the results of the previous analysis, “threshold values” for each indicator are evaluated and compared with the capacity levels. This stage involves:

- a. Identifying “bottlenecks” in production capacity;
- b. Assessing opportunities to mobilize reserves;
- c. Developing strategies for reusing inefficient resources;
- d. Preparing strategic and tactical recommendations to strengthen capacity.

In the field of agriculture, the most important and distinctive component of production capacity is the “biological potential.” It is considered as the aggregate of crop varieties, livestock, and poultry breeds. In other words, biological potential refers to the quantity of agro-biological resources cultivated in the enterprise, along with their genetic, agronomic, and reproductive capabilities.

Having comprehensive information about the state of biological potential is crucial for effective management of economic and agrotechnical processes. Furthermore, developing strategies for its restoration, development, and efficient use is of great importance. This is one of the decisive factors in rationally managing the economic potential of the enterprise, ensuring its sustainable development, and enhancing competitiveness.

Additionally, when assessing biological potential, it is necessary to take into account the following scientifically and practically based approaches:

- a. Adaptation of crop types and animal breeds to agro-climatic conditions;
- b. The level of utilization of genetic potential;
- c. Reproductive characteristics (such as reproduction, growth, productivity indicators);
- d. Disease resistance and biological stability;
- e. The degree of introduction of innovative technologies in the use of biological resources.

Thus, in agricultural enterprises, biological potential serves not only as a factor of production efficiency but also as a strategic resource. Its scientifically grounded assessment and management create a solid foundation for the long-term sustainable operation of the enterprise.

Financial potential includes financial resources – that is, the monetary funds and revenues available to enterprises and intended for use for the following purposes:

- a. Fulfilling financial obligations to the state, credit system, suppliers, insurance organizations, other enterprises, individuals, as well as to the enterprise’s employees;
- b. Developing economic activities, investing in non-production assets, forming consumer, savings, special reserve funds, and covering other expenses.

Thus, various definitions of financial potential emphasize the multifaceted and complex nature of this concept in the activities of enterprises.

Analysis of the literature shows that “in the process of assessing financial potential, the enterprise’s financial condition is first analyzed comprehensively”. This analysis primarily involves studying the dynamics of the value, composition, and structure of capital, as well as relying on “financial ratios – a system of indicators that reflect financial stability and efficiency.” When assessing financial potential, evaluations of the effective use of capital, including total capital and its individual components, are of significant importance.

At the same time, to fully and reliably assess financial potential, the enterprise’s financial relations system and the effectiveness of debt and credit agreements carried out within this system, particularly the results of concluded financial contracts, are also analyzed. Additionally, the rationale behind dividend policies, tax burden strategies, and the logical and goal-oriented nature of investment policies play an important role in evaluating financial potential. “A well-organized financial management system is a decisive factor in strengthening the enterprise’s financial potential and increasing its competitiveness”.

In general, analyzing financial potential involves an integrated approach that envisages a comprehensive evaluation of the enterprise’s financing opportunities, the efficiency of financial resource utilization, and its ability to manage financial risks.

CONCLUSION

Fundamental Finding : In the current era characterized by rapid globalization and escalating competition, the development of a market economy demands comprehensive and multifaceted approaches to ensure that agricultural enterprises secure and maintain a strong, sustainable position in the marketplace. Relying solely on traditional production models is increasingly insufficient for maintaining competitiveness in today’s dynamic environment. Therefore, it is essential for agricultural enterprises to adopt extensive diversification strategies. This means expanding beyond the confines of conventional farming or livestock breeding to include related sectors such as processing, logistics, storage, and marketing, thereby creating integrated value chains that enhance overall enterprise resilience and market reach. **Implication :** To effectively secure and enhance competitiveness, agricultural enterprises must embrace the implementation of innovative technologies. These include digital agrotechnologies, smart farming systems (such as precision agriculture), and automated monitoring and control tools that significantly increase production efficiency, reduce costs, and improve resource management. Simultaneously, it is vital to focus on the development of the processing sector within the agro-industrial complex. Deep processing of agricultural products facilitates the creation of high value-added finished goods, which can command better prices and access premium markets, thus strengthening the economic sustainability of enterprises. **Limitation :** In light of these challenges and opportunities, the path toward sustainable competitiveness for agricultural enterprises in a market economy lies in the

simultaneous enhancement of their economic, technological, and organizational capacities. **Future Research** : this should be supported by comprehensive institutional reforms, robust financial support mechanisms, and strategic development of agro-infrastructure, including storage facilities, transportation networks, and digital platforms for market access. Such an integrated and holistic approach will enable agricultural enterprises not only to meet the demands of domestic markets but also to become stable and competitive suppliers in international agro-markets. Consequently, this will contribute significantly to the overall economic development, rural prosperity, and food security of the country.

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