Ibrahimov E.Y.
Problems for small enterprises sector today

ANAS
(Azerbaijan, Nakhchivan)

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Аннотация

Малые предприятия - это независимые компании с меньшим количеством сотрудников, которые имеют огромное значение в коммерческом секторе. Сегодня такие предприятия являются важной частью экономической инфраструктуры с точки зрения близости к своим клиентам, более быстрого принятия решений, гибкости реагирования на внезапные изменения, дружелюбного персонала и других преимуществ, обеспечения занятости, создания новых предприятий и ускорения регионального развития. В статье рассматриваются недостатки крохотных компаний и способы их решения

Ключевые слова: предприятие, маркетинг, конкуренция, бизнес-план, продукт

Abstract

Small enterprises are independent companies possessing fewer employees and have huge importance in business sector. Nowadays, being closer to their customers, making decisions faster, having a flexible reaction to sudden changes, friendly staff and with other benefits such businesses are the crucial part of economic infrastructure in the respect of providing employment, creating new job places, accelerating regional development and contributing to the government budget. The article deals with the shortcomings of tiny companies and how to solve them.

Keywords: enterprise, marketing, competition, business plan, product

Introduction

The business sector has an irreplaceable role in every country's economic system in terms of creating a large share of income for the country's economy and solving the employment problem. In the coming years, the sector should be prepared for some problems caused by changes in market rules (products, prices etc.)

Compared to large enterprises, small and medium-sized enterprises have relatively weak opportunities and promise little prospects. The main reasons for this are financial issues, difficulties in adapting to scientific and technological innovations, low competitiveness and so on. It is a fact that in every country, despite the packages and incentives provided by the governments and the various aid provided by the different donor organizations, they need more help to increase the contribution of the business system to the country's economy. To do this, first of all, the obstacles they face must be identified in advance, and the drastic measures should be developed by the relevant agencies and research institutes to eliminate these challenges.

Small enterprises are characterized as an indicator of stability in economic and social life due to meeting the daily needs of consumers, building relationships with all segments of society, comprehensive response to needs and rapid adaptation to innovative changes. Such companies, which have a large share in the economies of developed countries, were an important part of the economic system in terms of their liabilities. Studies show that the share of small businesses in these countries is 90-95% of the total business system. In short, we can list some of the most important challenges faced by enterprises in the current situation:

- Regarding financial resources
- Lack of human resources

- Inability to comply with marketing and business rules
- Competition factor
- Technology management issues
- In connection with infrastructure

As can be seen, financial problems, which are mostly expressed in small and medium-sized enterprises, are the basis of all problems. Therefore, the most important factor for any small business owner activity is having cash. Because enterprises measure the costs of production and its results in money, buy the means of production they need and sell their finished product in money. Accounts with workers and employees for their labor are kept in the form of money (salary) [3, 261]. If the company does not have enough money to pay its employees, it will face a crisis after a while, even if it initially had a profit and then did not make a profit. Studies show that if an enterprise does not pay its employees on time and this continues for a long time, such a situation will eventually lead to a decline in its efficiency and the quality of the product. Thus, using all ways and means to maintain the required level of cash flow is the most important factor for companies to continue their future activities. Another point to keep in mind is that small businesses can only be profitable as long as unplanned events do not occur. Therefore, an enterprise operating for a certain period of time will cost even the smallest expenses in the event of a sudden force majeure event, a lawsuit against it and if there is no insurance.

Research shows that start-ups have difficulty obtaining funds from banks and credit institutions. Sometimes the interest rates offered are quite high. Sometimes banks operating on modern principles are not interested in such businesses. These types of businesses are considered risky and often go bankrupt shortly after launched.

Today, most small businesses are located in relatively remote areas of the center, which creates problems in providing them with quality human resources. Inadequate candidates, inability to hire qualified staff, and low wages make it very difficult for start-ups. Directors of such enterprises usually manage their business outside the rules of management. They are not able to plan the rules of duties and responsibilities in the organization, to specialize in the division of labor.

Studies show that not being able to determine the right marketing strategy is one of the main problems of most companies today. Inability to properly advertise and present the product, not meeting the changing needs of customers are the main shortcomings of the enterprise. To do this, the company must, first of all, state its purpose and clearly convey it to the consumer, have a good presentation and design, apply to competent marketers and determine the principles of long-term operation in the market. In this case, the company will not only occupy one of the leading positions in the market, but also maintain its competitiveness.

Small and medium-sized enterprises also face many problems in terms of not being able to compete. The low quality and cheapness of the products create a sense of unfair competition. Smuggled goods of unknown quality, often imported from foreign markets, are sold at low prices in the domestic market, undermining a healthy competitive environment. Improvements in tax, customs, and control regulations in recent years have forced small companies to compete with large markets. At the same time, it is a truth that adapting to today's requirements, meet the needs and demands of customers, and maintain its market share are only possible by having technological innovations. In fact, every country needs more assertive, innovative and technology-savvy enterprises for its economy. In other words, today, business facilities must operate on the basis of knowledge and technology, not cheap labor, ready raw materials. Especially, enterprises in the manufacturing sector must make the most of scientific and technical opportunities, among other things, to protect their infrastructure. The new technology increases the competitiveness of companies, reduces costs, opens the way to foreign markets, facilitates the delivery of manufactured products to their destination, brings the quality in line with international standards and makes it a global

brand. Although flexible production and information processing systems, automation, computer-aided design and engineering programs are expensive to create, they are the most important elements that businesses need today. It is very difficult to imagine the future professional activity of a company without a website and a businessman without an email address.

While determining the future expectations of the enterprises in our country together with their basic weaknesses, investment and technological problems, special attention is paid to the protection of competitive power. In this regard, the creation of a favorable business environment, the importance of education, the development of cheaper and better business plans, improving the legal framework, training qualified personnel, high-speed internet access, new markets, simplifying tax and customs issues, innovation opportunities and international meetings make better conditions for them to represent themselves in well forms. At the same time, we believe in the establishment of legal consultancy and business planning centers that will serve small businesses, accelerate the participation of women and young people in this field, find effective financing resources for start-up projects, and develop driver's license rules. Simplifying and increasing cooperation with foreign countries can create great opportunities for businesses in our country.

Building small businesses costs less than large businesses. With the ability to easily adapt to market conditions, they are able to immediately assess customer preferences and choices and make necessary changes, as they are in closer contact with consumers. Such opportunities make them more inclined to innovation, which will allow them to further diversify their future activities.

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