

Consulting Services In Innovative Activities Of Enterprises

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Abstract – *The paper deals with the theoretical aspects of consulting services, in particular the essence of consulting, the life cycle of consulting, the role of consulting in innovative entrepreneurship. Moreover, the article analyzes the factors hindering the innovation activity of enterprises.*

Keywords – the essence of consulting, innovative activities, stages of consulting, innovative consulting.

1. INTRODUCTION

The importance of service innovation and the contribution of the service sector to economic growth is gaining recognition. Thus, innovation in the service sector is a novation in a service, in its production, provision and consumption, and employee behavior.

An innovation is a new development that is introduced into civil circulation or is used for personal needs, the application of which in practice gives a great socio-economic effect. A new working is the result of intellectual activity (a new or improved technology, service, production, administrative, commercial or other nature, which has new features in comparison with the results of similar intellectual activity, can be applied in practice and will bring great socio-economic benefits when used on practice) [1].

All over the world, professional business support, which is scientific and technical maintenance of economic processes, is a necessary element of the market infrastructure. This support is provided through a suite of professional services.

The modernization of the market economy requires the constant implementation of innovative activities by each economic entity in order to achieve competitiveness. The development of the services market in an increasingly competitive environment requires not only information and new knowledge about the market, but also the use of consulting services of third parties. Currently, consulting occupies one of the leading places in the economy of any country [2].

2. THEORETICAL ASPECTS

The starting point for the development of consulting in the world is considered to be the beginning of the twentieth century, when powerful technological progress necessitated a revision of the approach to the organization of enterprises, its management and structure. In large business, a catastrophic lack of information, new knowledge and skills that could help restructure in accordance with the new conditions dictated by the market, as well as increased competition, arose. It was then that the first consultants appeared: Frederick Taylor, Harrington Emerson and Arthur D. Little, whose work in the field of scientific organization of labor and production efficiency brought them world fame. In 1914, Edwin Booz organized the business research service, which became one of the first consulting companies in the world – “Booz Allen Hamilton” [3].

To date, in countries with developed market economies, consulting has become an integral part and its most important element, maintaining at a high level the functioning of its infrastructure. This is a huge and powerful market, the volumes of which are quite large and comparable with other areas of business. Sometimes the income of a consulting company exceeds the income of customers.

In developed countries, the involvement of consultants in solving certain problems in a company is considered not only necessary, which indicates a high level of business reputation, but also a common thing, a norm. The vast majority of serious economic, managerial and even social decisions are made exclusively with the involvement of external consultants.

The situation in countries with developing economies is somewhat different due to the less rich history of the consulting services market. However, the existence of a market economy, albeit in a somewhat backward form, inevitably leads to an understanding of the need for the existence of such a sphere as consulting.

In fact, in a market economy, consulting is a form of entrepreneurship. Consulting is a paid service in the form of information and advice that allows the client to improve the efficiency of its business.

Consulting activities are carried out by consulting service providers on a commercial basis. Strong competitive conditions place high demands on the quality and efficiency of consulting services and encourage the service to focus on the interests of the client.

3. CONSULTING LIFE CYCLE

In the service sector of Uzbekistan, the fundamental factors of economic growth are being formed, namely: new scientific knowledge, intellectual capital, information technology, financial services, consulting, etc. [4]

The consulting service process takes place in the following sequence (Fig. 1). It should be noted, though, that consulting projects are not identical. Consulting can't be implemented according to the standard plan.

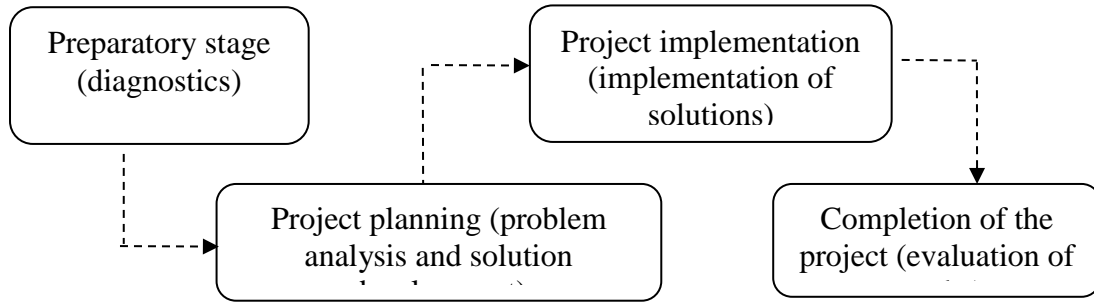


Figure 1. Basic model for providing consulting services.

The consulting life cycle, depending on the consultant and the client - the consumer of services, can go through different stages. Therefore, this model should be used as a base model for the development and planning of consulting projects.

The effectiveness of consulting services largely depends on how rationally the consulting process will be built [5]. Since it is the consulting process that affects the quality of expected changes, the degree of achievement of the results necessary for the enterprise, the efficiency of using the resources involved and, ultimately, the success of cooperation between the parties.

4. ANALYSIS OF FACTORS AFFECTING INNOVATION

Innovation consulting, in our opinion, is a specialized type of management consulting on innovation management, focused on the scientific and technical activities of enterprises in order to develop enterprises and commercialize innovative developments in the market.

The success of an innovation can depend on a number of factors. It is clear that it depends on the quality of innovation. The impact of innovation can also vary greatly from industry to industry and from region to region. In addition, it may be influenced by other changes in the enterprise to support innovation

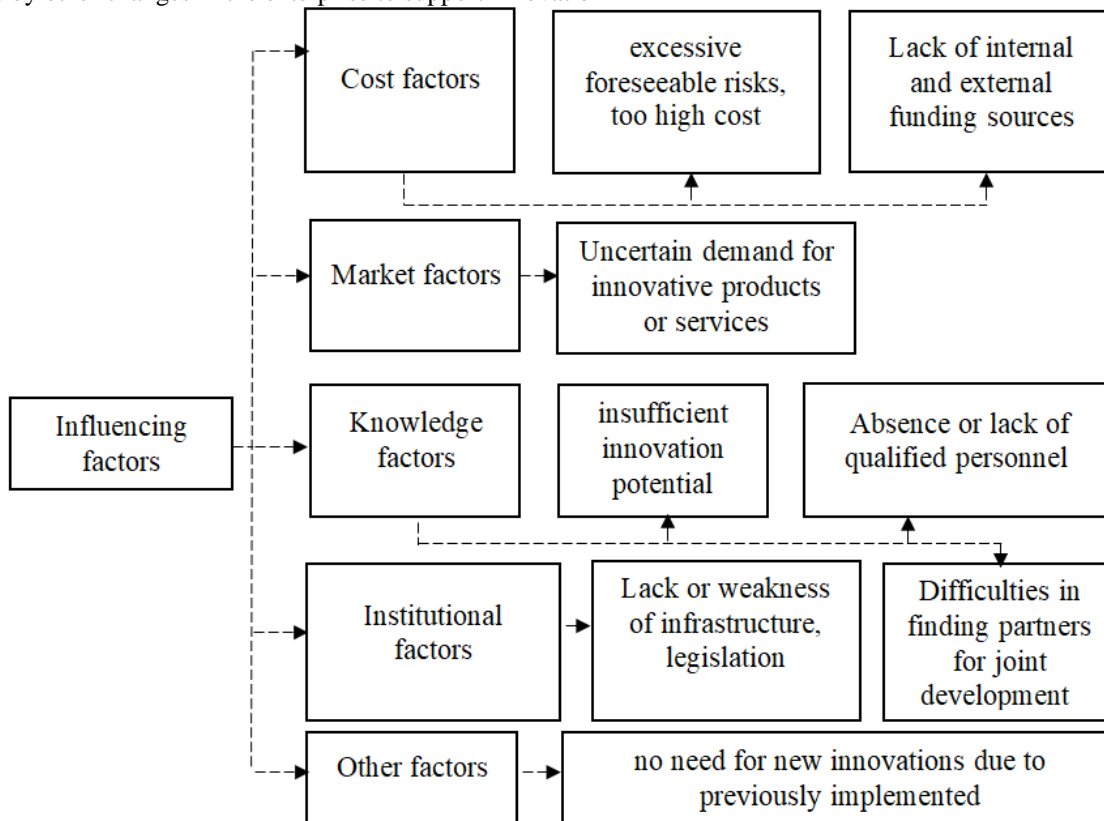


Figure 2. Factors that inhibit innovation.

Innovative activity can be constrained by a number of factors (Fig. 2). There may be reasons why it does not start at all, as well as factors that slow it down or negatively affect the expected results. This includes economic factors such as high prices or lack of demand, internal factors of the enterprise such as lack of qualified personnel or knowledge, and regulatory factors such as regulations or tax rules.

It is recommended that data be collected on the obstacles to innovation that emerged during the survey period and their relative importance. Questions about what stands in the way of innovation activity should be asked of both innovative and non-innovative enterprises. These questions can apply to all types of innovation, or a subset of these types, such as product and process innovation [6]. In this case, the introduction of new equipment and technology is a very complex and contradictory process. Innovative consulting services help solve this problem.

5. CONCLUSIONS

In conclusion, it should be noted that consulting in the field of innovative entrepreneurship can provide:

- new abilities - skills and attainments of innovation management acquired by the client. These are the skills of diagnosing and solving problems of innovative development, skills of effective organization of innovative activities;
- new management systems and forms of behavior, including the relationship of the enterprise with third-party organizations and interpersonal relations between managers and performers - direct participants in innovation. Innovative consulting can lead to the introduction of new marketing management systems, systems of strategic planning and business planning of innovations, systems for evaluating the results of innovation, information systems, etc.;
- new degree of work efficiency. The efficiency of the enterprise increases if new capabilities, new management systems and new forms of behavior lead to improved economic performance.

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