



THE RELATIONSHIP BETWEEN PRODUCTION AND SALES IN THE CONTEXT OF MODERNIZATION

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Abstract:

This article analyzes the relationship between product manufacturing and sales in the context of modernization. The impact of economic and technological changes on production efficiency and sales strategies is examined. Additionally, mechanisms for effectively delivering products to the market through modern marketing methods, digital technologies, and logistics tools are highlighted. The article emphasizes the importance of strategic and innovative approaches to ensure effective collaboration between production and sales processes. Research results indicate that the integration of production and sales during modernization is a key factor in increasing a company's competitiveness.

Keywords: Product manufacturing, sales, modernization, marketing, digital technologies, logistics, market strategy, production-sales relationship, innovation, competitiveness.

Introduction

The efficiency of industrial enterprises in the context of economic modernization is directly linked to organizing production activities and the marketability of products. Opportunities to increase production and sales volumes involve better utilization of the enterprise's resources in quantitative terms. Therefore, properly organizing production processes, accurately calculating costs, efficiently using fixed assets and labor resources, and ensuring full realization of products are among the key tasks that ensure economic efficiency. Accordingly, in defining current and future socio-economic development measures for our country, it is necessary to take into account the changes in the global economy comprehensively, shape economic development programs from the perspective of these processes, and implement them consistently. Currently, improving the use of fixed assets and production capacity contributes to increasing the efficiency of social production, allows additional products to be manufactured without extra capital expenditure, enhances labor productivity and efficiency, and reduces product costs. Achieving this requires optimizing equipment usage, improving enterprise technology and machinery performance, reducing time





spent on technical processes, enhancing the qualifications of specialists, and organizing production through specialization, collaboration, and expansion.

In a market economy, studying demand and needs, as well as updating the assortment of competitive product types, is of significant importance. The effect of changes in the product structure on production volume is determined through labor capacity indicators. The unit of measurement for production capacity is norm-hours and standardized wages.

Studying production volume in value terms is one of the key indicators reflecting production efficiency. Ensuring the proportionality between production and sales volumes strengthens the country's economic potential and enables the growing population demand to be met more fully. It also creates opportunities for the interconnected development of all sectors of the national economy. In a market economy, it is necessary to model socio-economic development based on technology, intensify production, and improve its efficiency and labor quality.

For enterprises engaged in external economic activity, analyzing the volume of products produced and sold for export is important, ensuring it matches the product volumes and assortment stipulated in contracts with foreign companies. Currently, each enterprise independently plans its production volume and sales.

“An enterprise studies market demand and the capacities of potential partners, and based on information about price changes, implements the production supply either directly or through intermediaries, selling products at independently set or contractually determined prices and tariffs.”

Production for sale in the market is considered commodity production. Commodity production for sale in the market forms the foundation of a market economy. Products and services produced for the market are called commodities.

A commodity has two main characteristics. First, it satisfies human needs and provides utility. Second, it has the ability to be exchanged for other commodities, which is its exchange value. From production to consumption, the total labor expended constitutes the commodity's value. However, labor only creates value if it produces something useful for people. When labor creates a product that people need and is spent in the correct measure, it is recognized and accepted, i.e., the product is purchased. In this way, necessary and non-wasted labor constitutes the value of the commodity.

Key Tasks in Studying the Relationship Between Production and Sales

When studying the relationship between production and sales, attention should be paid to the following tasks:





- Monitoring the implementation of the business plan, taking into account the volume and structure of products, and determining its dynamics.
- Identifying the reasons for changes in product volume and sales, and analyzing the quantitative factors affecting them.
- Detecting unused internal resources and mobilizing them to increase production volumes.

The volume of production is one of the key indicators of enterprise performance. It reflects the demand for internal circulating funds, labor resources, raw materials, and fuel. Production volumes are expressed in both value and physical terms in accounting and reporting. Indicators representing production volume include:

- Gross output
- Commodity output
- Net standard output

Gross output includes all products manufactured and services provided within a specific period.

Commodity output refers to products manufactured for sale externally. This indicator is primarily used in analysis as a key factor affecting production costs and sales volumes.

Net standard output is mainly used in processing industries. It allows assessment of total production and the efficiency of asset utilization in the processing sector. Material costs are not included in net standard output. Therefore, enterprises using this indicator for planning focus more on producing physical products, which leads to an increase in overall labor productivity. The net standard output includes main and additional wages, social security contributions, and normative profit.

This indicator also includes all main, auxiliary, and additional workshops of the enterprise, semi-finished products delivered externally, industrial work performed for other enterprises and organizations, and services provided. The reasons for deviations in production volume compared to the plan and the previous year are identified. Growth in production volume relative to the plan and the previous year is assessed at comparable wholesale prices. In addition, the report also determines production volumes at current wholesale prices.

The share of a specific product type in total production reflects the product structure. Reasons for changes in product structure include:

- Disruptions in material and technical supply
- Changes arising from internal capabilities of the enterprise
- The enterprise's focus on producing products that bring higher profit
- Market demand considerations



In a market economy, studying demand and needs and updating the assortment of competitive products is crucial. The impact of changes in product structure on production volume is assessed through labor capacity indicators. Production capacity is measured in norm-hours and standardized wages.

Revenue from product sales is one of the main indicators of enterprise performance. Revenue from sales ensures the enterprise can organize supplies of raw materials, fuel, and energy resources, and pay wages to workers and staff.

Sales volume reflects the alignment of production with social labor needs, considering the interrelations arising in production and consumption within the social division of labor. When planning and accounting for product sales, both value and physical terms are used.

Each enterprise must implement the production plan according to the established nomenclature and assortment. Product nomenclature refers to lists of product groups, subgroups, and positions in physical terms for planning and accounting. Assortment refers to the classification of product types by quantity, type, brand, article, and other characteristics. Depending on the level of detail, product types can be broken down into assortments, groups, and components. A wide assortment is classified by type, brand, volume, and article.

The infrastructure plays an important role in ensuring continuous production. Therefore, studying the provision of production infrastructure is particularly important for the formation of regional economic systems in the economy of the Republic of Uzbekistan.

Reforming and improving the structure of industrial production is a key basis of economic, scientific-technical, and social policy. The development of productive forces and industrial sectors promotes scientific and technical progress, satisfies demand for goods, and improves product quality. Providing the population with quality products is closely linked to changes in the industrial production structure, the emergence of new sectors, and the development of existing ones. This leads to positive shifts in the economic system and changes in the dynamics of economic development.

Objectives of Classifying the Production Structure:

- Establish balance between sectors producing capital and consumer goods
- Develop forecasts and trends for the production structure
- Stabilize the external economic activity of industrial sectors
- Accelerate scientific and technical progress and introduce advanced technologies





- Study personal and social demand and ensure full provision of industrial products to the population

- Increase efficiency in the use of raw materials and resources in sectors

The formation of industrial structures focuses on supplying all sectors in economic regions with resources, capital, raw materials, and labor, and using labor efficiently. Thus, the development of the production structure is a key task today. This involves reconstructing the internal structure of production entities, increasing production and the population's standard of living, establishing economic cooperation with foreign enterprises, and mobilizing foreign investments and advanced technologies for the production of quality industrial goods.

Recommendations for Production and Sales

1. Optimizing Production Planning

- ✓ Align production volumes with market demand and sales forecasts to prevent overproduction or shortages.
- ✓ Regularly update business plans considering both the quantity and structure of products.
- ✓ Implement flexible production schedules to adapt quickly to changing market conditions.

2. Improving Product Assortment and Structure

- ✓ Continuously analyze consumer demand and market trends to update product assortment.
- ✓ Focus on producing competitive and high-demand products that maximize profit.
- ✓ Use product structure analysis to optimize the balance between different types of products, including main products, semi-finished goods, and export-oriented items.

3. Efficient Resource Utilization

- ✓ Identify unused internal capacities and redirect them to increase production efficiency.
- ✓ Optimize the use of labor, materials, energy, and fixed assets to reduce costs and increase output.
- ✓ Apply modern technologies to enhance equipment performance and production processes.





4. Strengthening the Integration of Production and Sales

- ✓ Ensure coordination between production planning and sales strategies to match supply with demand.
- ✓ Monitor sales data regularly and feed back insights to production departments to adjust volumes and types of products.
- ✓ Use digital tools and analytics for forecasting sales and planning production.

5. Enhancing Sales and Market Reach

- ✓ Expand distribution channels, including online platforms, to increase product availability.
- ✓ Develop marketing strategies targeting different customer segments to improve sales performance.
- ✓ Monitor competitor pricing and market conditions to adjust product pricing strategies effectively.

6. Investing in Infrastructure and Logistics

- ✓ Improve production infrastructure to ensure continuous operation and timely product delivery.
- ✓ Optimize logistics and supply chain management to reduce delivery times and costs.
- ✓ Strengthen coordination with suppliers and distributors to maintain a smooth flow of materials and finished products.

7. Promoting Innovation and Modernization

- ✓ Introduce advanced production technologies and automated systems to increase efficiency.
- ✓ Encourage innovation in product development to meet evolving consumer needs.
- ✓ Train personnel to enhance technical skills and adapt to modern manufacturing and sales techniques.

8. Monitoring and Reporting

- ✓ Use both value-based and physical indicators to track production and sales performance.
- ✓ Compare current production and sales volumes with historical data to identify trends and improvement areas.





- ✓ Establish KPI systems for both production and sales departments to ensure accountability and continuous improvement.

9. Export-Oriented Production

- ✓ Align production volumes and product assortment with export market requirements.
- ✓ Monitor international market trends and adjust production strategies to meet foreign demand.
- ✓ Foster partnerships with foreign companies to expand sales channels and increase export revenues.

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