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# Evaluation of Production Efficiency at Enterprises of the Construction Materials Industry

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**Annotation:** Scientific article, the place of the enterprise of the construction materials industry in the market was evaluated using such an indicator as its share. The development of the indicator of the share of the product of a particular enterprise in the total volume of goods sold on the market, the possibility of determining how effectively the economy of the enterprise has developed in relation to changes in the market is highlighted. The ratio of the market share of the enterprise to the volume of sales in the general market of commodity turnover is analyzed.

**Key words:** Production, Enterprise Product, economic efficiency, management efficiency, building materials, organizational mechanism, economic mechanism, cost, price, industry, tax, profitability, insurance, profit.

**Introduction.** Modern conditions for the development of the economy are characterized by the rapid development of market relations. "In such conditions, the assessment of the economic efficiency of an industrial enterprise is an important task for both the founders of the enterprise and other subects of the market economy. The pace of development of various sectors of the national economy, technological progress, the growth of labor productivity, the solution of the most important social problems largely depend on the activity of the real sector of the economy - industry. This results in an objective need to develop fundamentally new approaches to the theoretical and methodological aspects of assessing the economic efficiency of construction industry enterprises"[1].

The position of a building materials industry enterprise in the market is assessed using such an indicator as its share. It is in the total volume of goods sold in the domestic market that there is a share of the product of a particular enterprise. The development of this indicator makes it possible to determine how effectively the economy of the enterprise has developed in relation to changes in the market. The ratio of the market share of the enterprise to the volume of sales in the general market of commodity turnover is determined and analyzed:

In addition to quantitative measurement, it is possible to obtain its quality indicators (large share, medium, small) level. It is based on the analysis of the share to Enterprise B, which belongs to the largest competitors with a share belonging to a particular enterprise A.

Evaluation of internal activity performance indicators during the research period may have a positive development trend, but the assessment method relative to the market may give the opposite result. The growth of the market sigment will be faster and more important than the change in the sales share of the enterprise. This situation indicates a decrease in economic efficiency, and in turn assumes changes to the strategic development program of the enterprise.

An important factor affecting the effectiveness of the enterprise's activities is its advertising budget. All businesses that decide to invest in advertising face the problem of determining the optimal amount of money to spend on advertising.

In any case, the level of advertising efficiency is estimated based on changes in the level of sales. Currently, there are several ways to determine the advertising budget.

After evaluating the market and the position of a particular enterprise in it, it is necessary to analyze the structure of a particular product market. To do this, it is necessary to study the dynamics of market development in two directions: domestic production, import delivery.

In the next decade, the share of imports of construction maerials increased significantly in most economic sectors, especially in the processing, finishing and construction industries, and as a result, most enterprises lost their connection in the traditional and most capacious trade markets.

In influencing the economic efficiency of the enterprise of market factors, price fluctuations occupy a leading position. To assess the impact of the price factor on efficiency, it is necessary to use such an indicator as the price level. Here, the statistics of the general indicator of the group of products with consumer characteristics, describing the price fluctuations over a certain period of time in exactly one area, are determined (statistics of goods and services markets). The correlation with price level fluctuations is an indicator of inflation. In a market economy, inflation is an objective process, and its direct impact on the level of economic efficiency of the enterprise is desirable to be assessed in combination with other indirect factors.

The relationship between inflation and the standard of living of the population is an important object. The standard of living means the provision of the population with the primary necessary material goods and services, the current level of consumption, the level of satisfaction of material, spiritual and cultural needs are recognized.

From the point of view of the impact on economic efficiency, it is necessary to take into account the indicators of the solvency of the population and consumer basket. Depends on the economic efficiency of the enterprise, the fluctuation in the costs of purchasing goods and services for consumption in the family.

**Analysis of thematic literature.** The main goal of the methodology is to ensure the interaction of all its elements in the system in order to carry out an assessment of the factors of the external market and internal influence in order to obtain the conclusion of the results with the help of which the level of efficiency increase allows control.

Its main task is to keep track of the effectiveness of its indicators at the enterprise constantly and on the basis of the results of the research to inform about the decrease in the level of efficiency at the enterprise.

The proposed methodology includes the following steps.

First stage. Initial data collection and processing

The study of accounting (financial) reports of the enterprise for past and current periods is carried out.

Accounting (financial) report in the case of a single system of information on the property and financial status of a building materials industry enterprise and the results of its economic activities, the general information on the work of a dry materials industry enterprise by external and internal users is used as a source for financial analysis and, in particular, assessment efficiency. As such, the accuracy of the analysis, the full possibility of accurately assessing the organization's process based on the results using indicators in a given system depends on the data and accuracy of the reporting quality, the analysis of which is important for users, the provision of raw data.

At the same stage, the use of an expert assessment method is applied to select the most external market important factors of efficiency affecting the enterprise of the building materials industry. A feature of the specific method is the organization of an individual continuous anonymous survey of specialists by Har. The Bunga method eliminates the interaction of mutual specialists with each other and the resulting Team influence during work together, and consists in adapting to Hammani's opinion. The purpose of the expert assessment method is to identify external market factors that

significantly affect the effectiveness of the enterprise based on the experience, knowledge and qualifications of practitioners.

The construction industry is important in the economy, forming the demand for goods and services of other related industries. It is also very significant in achieving a number of programmatic organizational and economic goals, such as improving the lifestyle of the population, providing housing, providing facilities and opportunities, providing employment, increasing Real income. "According to the results of the study carried out in this area, the building materials industry affects almost all aspects of the economy and is considered one of the main factors of economic growth in the construction industry, especially in developing countries"[2].

"That is, it is a complex construction industry cluster of the economy sector, which covers a wide range of stakeholders and a wide range of areas such as the use of materials, production, Energy, Finance and has a wide connection with achieving solutions to other problems such as ensuring socially significant labor employment, the formation and increase of population income"[3]. "Products produced in the building materials industry are a key and integral part of national production, and in developed and developing countries, the sector's share of GDP is of sufficiently large value" [4]. According to the research of scientists who have carried out scientific work in the direction of the building materials industry, "the progress of the building materials industry is directly related to the availability of capital and government decisions, since the government uses the construction industry as a means of managing the local and national economy"[5].

In modern conditions, we propose to introduce a new indicator to assess the effectiveness of the enterprise of the construction materials industry. As a result, as gross profit and costs - the cost of production is presented.

This is due to the fact that profitability indicators are the ratio of the final result (profit)of the activity to the resources spent or invested.

The efficiency of the indicators of the cost of production products is associated with each other. It determines a large part of the production of the cost, and production is associated with a change in sales of products and conditions. The costs of the level of economic and technical factors of production have a significant impact. This effect manifests itself in the amount depending on the changes in Technology, Technology, organized production, quality and cost of production of the product.

**Research methodology.** The paper made extensive use of comparative comparison, statistical study and economic comparison and analysis, logical reasoning, scientific abstraction, analysis and synthesis, induction, and deduction techniques in the construction materials industry.

**Analysis and results.** Only when there is a good agreement between the answers of specialists can the group assessment be considered reliable enough. To do this, we use the compatibility coefficient. It is useful for an expert to determine the consistency of the conclusions of the current presented assessment expert in the distribution of the studied factors or objects among themselves according to the priority of their positions.

"M.Kandall proposed a consistency factor or consistency factor (K), which is defined as:

$$K=\frac{S}{Smax} \quad (1.8)$$

The consistency coefficient varies in the range $0<K<1$, 0 corresponds to inconsistency and 1 to complete agreement. If the conformity coefficient value exceeds 0.40-0.50, the quality of the assessment is satisfactory, Is considered high if 0,70-0,80"[6].

Second stage. Calculation and assessment of the dynamics of the efficiency of the enterprise in the construction materials industry.

Assessment of the effectiveness of activities is carried out on the basis of the current methods using financial indicators. It can be based on the calculation and analysis of a certain set of coefficients, most adapted to the characteristics of the activities of a particular enterprise.

**Table 1. Indicators of profitability of the construction materials industry enterprise**

| Name | Formula | Feature |
|---|---|---|
| Profitability of sales | Profitability of sales = income / net profit | Determines the share of profit in the income received for the sum at each cost. Sometimes it is calculated as the ratio of net income (non-tax profit) to income over a certain period of time |
| Own profitability capital | Own return capital = net average amount of capital based on profit/period | Shows the profitability of investment costs based on net income. |
| Capital utility | Capital utility = pre-tax and other interest income / (total assets-short-term liabilities) | The enterprise determines the effectiveness and utility of capital investments. |

To assess the effectiveness of the enterprise on the basis of its activities, it is possible to use the recommended indicator of gross profit in the result of the activity in equal proportions with the cost of sales and existing profitability indicators. For an objective assessment of the activities of a particular enterprise, it is necessary to carry out a comparative analysis with the average industrial indicators of the construction industry using the coefficient of comparative profitability:

$$R\ q = \frac{R\ enterprise}{R\ network}$$

here: *P q* - comparative profitability;

*P enterprise* - profitability of the enterprise;

*P network* - average profitability of the industry.

The comparative profitability coefficient makes it possible to assess the effectiveness of the enterprise in comparison with the average in the network. "This allows the enterprise to use internal indicators and factors for comparison, as well as to evaluate its activities in relation to external data, as a result of which the results obtained will be more objective.

If R is comparative <1, the efficiency of the enterprise will be lower than the average in the network, and if the condition R comparative > 1 is met, the efficiency of the enterprise will be higher than the average of the network. If R is comparative = 1, the efficiency of the enterprise will be at the level of the average efficiency of the industry" [7].

In society, various enterprises and firms are an open system, the economic efficiency of which cannot be assessed by its dynamic growth with the external market environment. Therefore, it is necessary to jointly evaluate all its main elements on the basis of internal factors affecting the economic efficiency of the enterprise.

To assess the economic efficiency of an enterprise, an integral calculation of the indicator of the existing level of economic efficiency is proposed in order to obtain a unifying coefficient; it defines four indicators: the assessment of the external market environment for the activities of the enterprise is determined from two indicators - the market comparative and share profitability coefficient, two - the profit from sales and its inner environment is as low as:

$$C\ enterprise = \frac{Renterprise}{Ri} * \frac{Gross\ period}{Cost} * \frac{Working\ capital}{Market\ capacity} * \frac{gross\ period}{Sales\ revenue} * \frac{gross\ period}{Own\ capital\ investment}$$

here: *C enterprise* - economic efficiency of the enterprise;

R enterprise – profitability of the enterprise;

Ri – average profitability of the industry;

Cost – enterprise cost;

Working capital – product turnover of the enterprise;

Market capacity – market capacity;

gross period – enterprise income;

Sales revenue – business sales revenue;

Own capital investment – Enterprise Equity and investment

To evaluate the calculations of the Integral indicator, it is necessary to apply the efficiency level scale, to build it, we calculate the interval step (h) using the following formula:

$$x = \frac{Q\ max - Q\ min}{n}$$

here: Қмах - maximum value of the integral indicator;

Қмин - maximum value of the integral indicator;

н - number of groups.

Stage three. Creating a model of the influence of foreign market factors on the level of enterprise efficiency

To determine how effectively an enterprise has carried out its activities over a certain period of time and, accordingly, to draw up a further forecast, it is necessary to assess the effectiveness in terms of the influence of environmental factors of its activities.

To do this, with the help of an expert survey, the main market factors affecting the effectiveness of the enterprise's activities were identified. On the basis of proposals in four groups, factors can be combined by effective construction materials enterprise in the foreign market (Figure 2):

1. Factors of Marketing elements: market sales share of the enterprise, and its contribution, advertising costs, etc.
2. Factors of socio-economic indicators: consumer fund (or purchase costs) and import of raw material resources.
3. Factors of price forms: Consumer Price (wholesale and retail) status, inflation rate, exchange rate.
4. Investision factors: investments and percentage of the bank.

Initially, the enterprise manager must assess the size of the available market. To do this, the market capacity, that is, the volume of sold goods produced by the enterprise in the territory market, is determined. The assessment of the dynamism of this indicator will give a definitelvb to determine the conjuncture of the regional market, predict its further development and assess the activity of a particular Competitive Enterprise in relation to it.

To study the impact of consumer costs on the efficiency of a construction enterprise, the specialty of activity (i.e. production) of a particular enterprise is important.

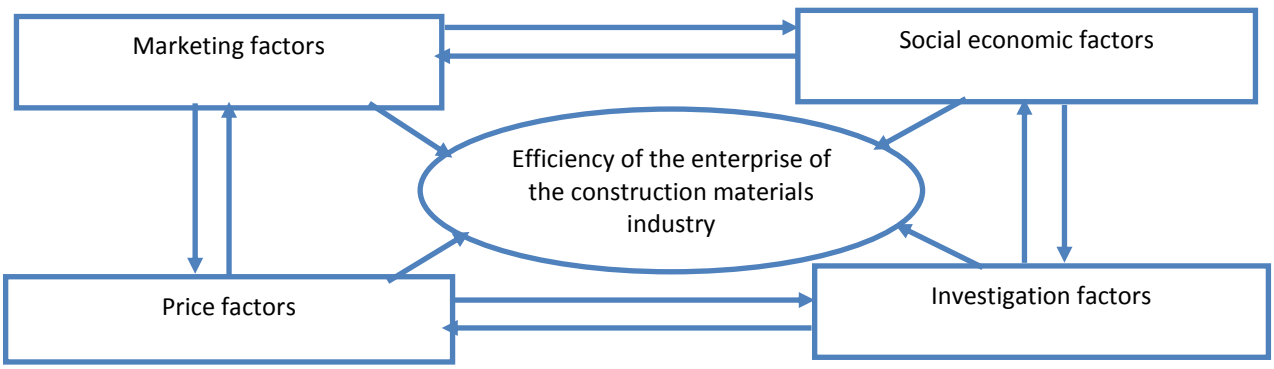


**Figure 2. The correlation of market factors and their impact on the efficiency of the enterprise of the construction materials industry.**

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The amount of consumption costs is distributed unevenly between the different profitable social strata of the population. To take into account the impact on the effectiveness of the enterprise on the change in the level of procurement, it is necessary to take into account the average consumption rate (K) per person of the population:

K=F/S,

here: F-consumer basket;

S-average annual population consumption.

This follows from the fact that the average annual consumer basket of the population assists in determining the average annual population in the area and predicts the future consumption figure of the population. To assess the impact of these factors on the efficiency of the enterprise, we divide them into two groups:

1. Factors that can be managed, that is, planned by the enterprise itself. These include the market share of the enterprise, advertising costs, sales bonus, trademark.
2. Uncontrollable, not dependent on the objective factor and the activities of the enterprise. These include the market capacity structure, the purchasing income of the population, the structure of the commodity market of raw materials, the level of commodity prices, the level of inflation, investments in industry.

Forecasting and development of future business activities involves the adaptation of khajmi to the market structure and the sale of products advertising. From a methodological point of view, it is important to ensure the connection of links in the "forecast-plan" chain by setting a different predicted period in accordance with task planning. For this reason, forecasts are made with short-term and long-term delivery times (See Figure 3).

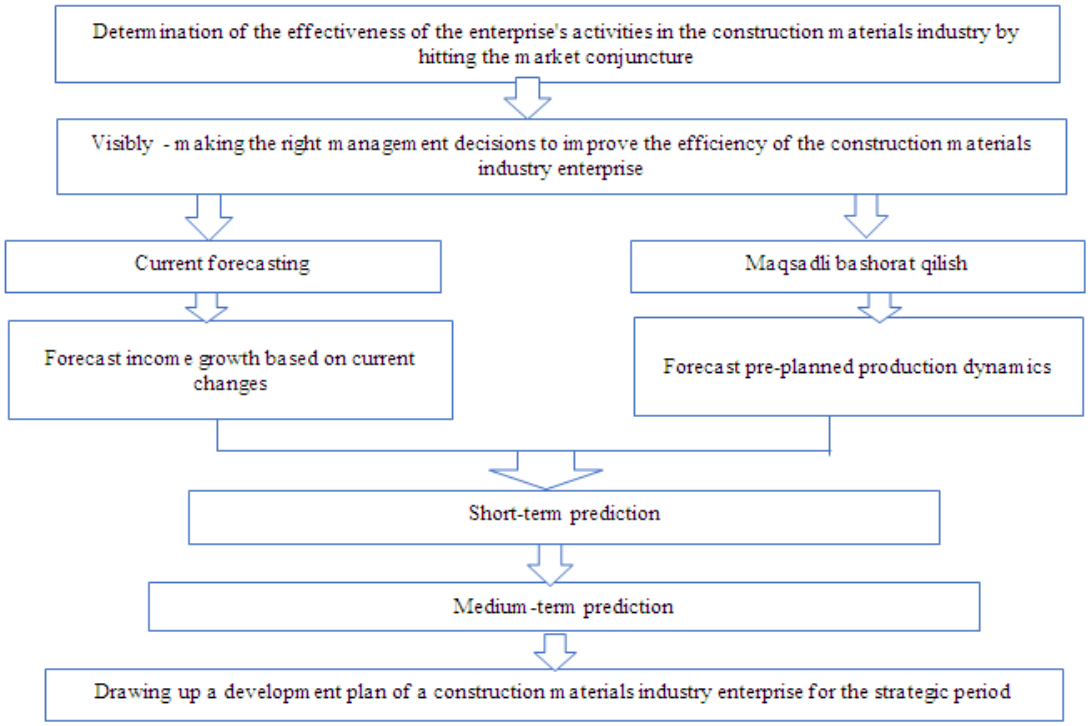

**Figure 3. Forecasting the effectiveness of the construction industry enterprise taking into account market conjuncture.**

Forecasts are divided into two types according to their purpose - search and target. In search, the prediction is primary in the past and in the current year is based on the conditional continuation of the development trends of the object under study in the future and is abstracted from the hit (factors), which can change the effectiveness of the enterprise.

The target forecast, as opposed to prediction, is developed on the basis of predetermined goals. "Its task is to determine the ways and deadlines to achieve the possible states of the forecasting object in the future, which are taken as goals. The search forecast is based on the past and present of the predictive object in determining its future state, while the normative forecast is developed in the reverse order: taking into account the existing trends and changes from a certain future state"[8].

In the process of developing an action strategy, sufficient attention should be paid to both the long term and the short term in order to avoid the dominance of any aspects. "Methodically, medium-and long-term forecasting does not take into account the private and random factors of market development. The longer the forecast period, the more general the forecast will be, and the factors affecting the market conjuncture will replace those that shape long-term, important market trends"[9].

The construction materials industry of the proposed factors should use correlation analysis to measure the impact on the efficiency of the enterprise, since the relationship between them is incomplete and risky. The issue under consideration consists of several components:

1) factors that directly affect efficiency are determined. To do this, the correlation coefficient is calculated, and on the basis of the Chaddock scale, indicators with the closest or related relationship are determined;
2) the next stage is the creation of a one-factor enterprise model of correlation analysis.
3) strategic planning and forecasting the effectiveness of the enterprise for the future based on the modeling of the impact of supply and demand on the economic efficiency of the enterprise in the market and the use of the resulting result to assess the Real state of the enterprise in the market.

**Conclusion.** In assessing the effectiveness of the changed external environment and market environment of the construction materials industry enterprise, the economic forms the use of the need not only internal data of the enterprise, but also data obtained as a result of the research market.Assessment of the effectiveness of modern economic indicators activity in conditions of relevance of all parameters of the external environment, as well as market conditions, macroeconomic change of indicators, including, it should take into account the influence on the regulation of the regulation of the regulation of market factors by our separate mamalakat.The methodology for assessing the efficiency activity of a construction materials industry enterprise accounting market conjuncture the methodology for the assessment of the efficiency activity of the proposed market external factors of the specific enterprise gives timely and opportunity-based forecasting of the impact of the efficiency activity.

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