A SYSTEM OF INDICATORS CHARACTERIZING THE EFFICIENCY OF USING MATERIAL RESOURCES IN BUSINESS ENTITIES

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Abstract: *This article describes the use of material resources in business entities and the aspects affecting this process. The indicators used to analyze the efficiency of the use of material resources are presented. Factors affecting the material consumption value of products and some problems in the industry are indicated. Some recommendations are given for the effective use of material resources.*

Keywords: *material resources, production process, efficiency indicators , general indicators, specific indicators, material capacity of products, material return, share of material costs in the cost of products, material resource utilization coefficient.*

Introduction. In the conditions of variability of the external environment, the rules of management of business entities are changing radically. The management of each enterprise determines the goals and strategy of actions, the tactics of behavior in the market, adapting to external changes.

The production process involves the transformation of material resources into finished products. The competitiveness of products manufactured by enterprises largely depends on the composition, quality and efficiency of the material resources involved. Rational production consumption of material resources is possible only in conditions of coordination of the activities of all departments through which material flows pass in the enterprise. This requires proper management of material supply and material consumption as a single process.

Due to competition between producers of goods, a certain general level of consumption of material resources is established. Any excess of the level of socially necessary costs for the producer of goods leads to negative economic consequences. Therefore, each enterprise must operate in such a way that its costs do not exceed the established necessary level. This is the economic basis of the mechanism of resource conservation in the rational use of material resources.

Main part. Material resources are objects of labor necessary for the implementation of the production process. These include raw materials, all types of materials, semi-finished products, purchased components, etc. [1] .

The cost of material resources is largely determined by the nature of the material consumption process. The following factors affect the material consumption process [5]:

- type of production: mass, large, medium, small and individual (piece);
- production volume;
- the degree of regulation of the production process, primarily in terms of the requirements for labor objects - from its initial state to the finished product;
- the duration of the production cycle, which determines the volume of unfinished production;
- product or done of affairs nomenclature (assortment);
- working of release flexibility , that is fast working release ability , new kind of products working release for again adjustment ;
- product or of affairs complexity , energy consumption , material consumption and type of scholarship ;
- working issued of products completion level ;
- working issued of products reliability (durability) level , this their performance during of materials price tag defines ;
- technological of processes progressiveness , environmental cleanliness , lack of waste point of view from the point of view Features .

The above material resources management process in advance by designating gives . So for example , public or large working in the release material resources very big in quantity , but limited in nomenclature consumption In individual (piece) or small - scale production, the volume of consumption is small, but the nomenclature is relatively wide .

In addition, these factors constitute the sectoral characteristics of material consumption, which are most pronounced in the construction, agro-industrial complex, transport and service sectors.

The diversity of material consumption processes can lead to the following pairs of properties, that is, material consumption can be stable and unstable; uniform and uneven; orderly and disorderly. Some of these properties may coincide with each other, while some properties may not coincide, that is, there may be intermediate values.

In this case, the process of consumption of material resources includes, first of all, the use of such types of material resources as raw materials, basic materials, auxiliary materials, semi-finished products, components, fuel, and directly in production and in the formation of reserves.

Analysis of the efficiency of the use of material resources can be carried out using efficiency indicators. Efficiency indicators of the use of material resources are divided into *general* and *specific* indicators [4].

Common indicators include the following [2]:

- material capacity of products;
- material return ;
- product at cost material expenses share ;
- material from resources use coefficient of efficiency .

Material resources efficiency private indicators material of resources separately elements consumption to do efficiency description , as well as separate of products material spending assessment for used separately of products to oneself typical material consumption value , in-kind value and in kind to be counted possible .

General indicators determination order seeing We can conclude that the material consumption of products is defined as the ratio of the amount of material costs to the cost of the manufactured product and shows the material costs associated with each sum of product [3]:

$$MS = MX / Q$$

Here, MS is the material capacity of the products;

M X – total material costs , thousand soums ;

Q – volume of produced products , thousand soums .

Material return - material consumption reverse indicator is , for 1 soum product working to release consumption done material resources describes .

$$MQ = Q / MX$$

The share of material costs in the cost of a product is an indicator that characterizes the ratio of material costs to total costs.

The material resource utilization ratio is the ratio of the amount of actual material costs to the amount of planned material costs (calculated based on the planned cost estimate and the actual production and product range). This indicator reflects compliance with the norms of material consumption.

If the utilization coefficient is greater than 1, it indicates an increase in the cost of materials; if the coefficient value is less than 1, it indicates a saving of material resources.

Then, the effect of the efficiency of using material resources on the amount of material costs is determined, and in particular, an increase in the efficiency of using material resources leads to a decrease in material costs for the production of products, a decrease in their cost, and an increase in profits.

At all levels of management of the organization, many decisions are made regarding material resources. These decisions should be optimal and based on a deep and comprehensive analysis, which is the basis of scientific management and ensures the efficiency of the organization. Minimizing material costs ensures an increase in the economic efficiency of production.

A quantitative expression of this effect can be expressed by estimating the economic benefit from the marginal value of the material consumption level:

$$I_F(R, FQ, K_{ay}, K_l) = f(MX_{mar.bir})$$

where, I_F - economic profit from reducing material costs by 1%; R - product profitability; FQ - fund return rate; K_{ay} - turnover ratio, in days; Kl - liquidity level of funds; $MX_{mar.bir}$. - marginal unit of material costs saved (%).

The main factors affecting the material consumption of products are shown in the figure below.

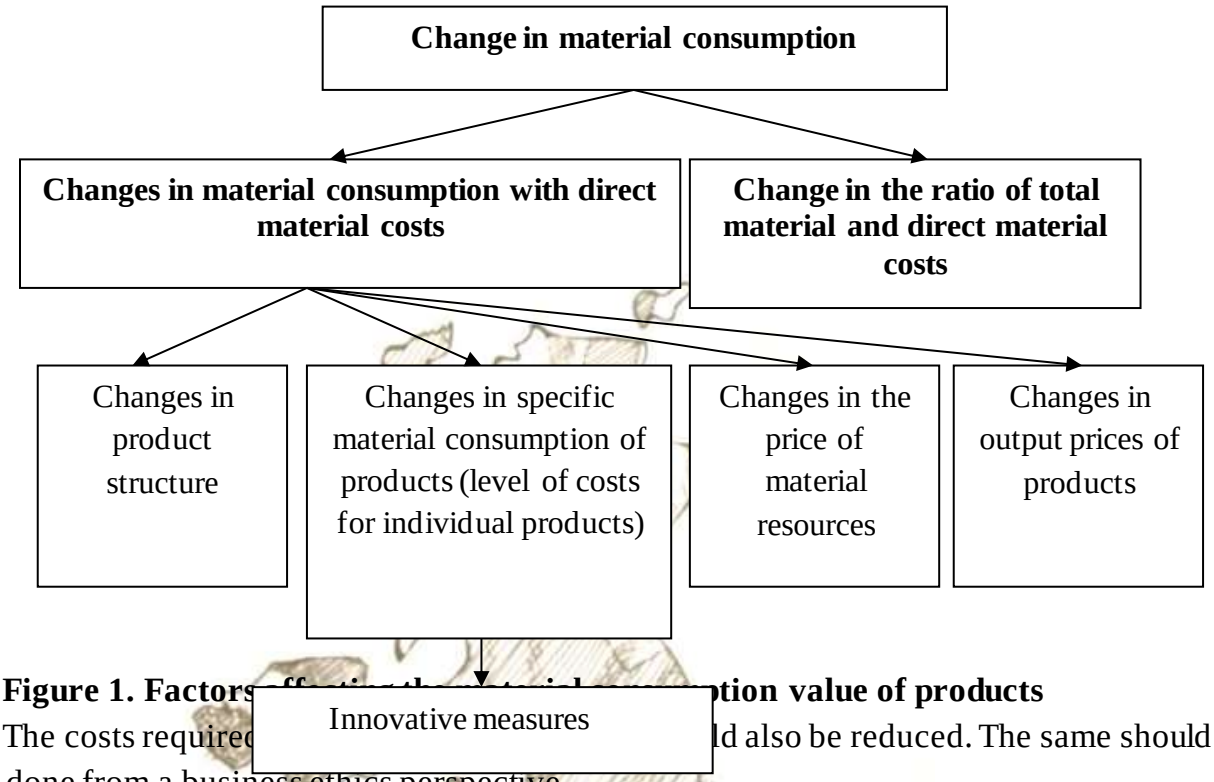

Figure 1. Factors [illegible]tion value of products

The costs required [illegible]ld also be reduced. The same should be done from a business ethics perspective.

Bringing inventory levels to the necessary and sufficient level will help to release working capital, attract additional material resources to production, and thereby create conditions for the production of additional products [6].

The change in the level of material costs (specific material consumption) for individual products is influenced by many innovative activities. The main ones are: improving the constructive characteristics of products; introducing new technologies; introducing new progressive types of raw materials, materials, fuel; improving the skills of employees, etc.

The main problems of using material resources in business entities include irrational consumption, insufficient inventory control, outdated equipment, and inefficient management methods. These factors lead to increased costs, decreased productivity, and a deterioration in the financial condition of the enterprise.

Conclusions and recommendations. Economical use of material resources has a decisive impact on reducing the cost of production, production costs, and, as a result, increasing the profitability and profitability of the enterprise. With a correct and logical approach to existing methods, it is possible to avoid unnecessary expenses and properly manage the material resources of the enterprise. Taking into account the importance of the correct distribution and effective use of material resources, as well as the need for constant accounting and control over their distribution, it is necessary for enterprises to create an effective system of daily accounting of the movement of goods and material assets and used resources in production using modern automation tools.

For the effective use of material resources at enterprises, it is recommended to use an

integrated approach, which includes standardization, analysis, planning and optimization of reserves. In addition , it is important to introduce technologies that reduce production costs and minimize material losses. We recommend the following for the effective use of material resources: rationing planning (setting standards for the consumption of material resources for each type of product, determining the need for materials based on production plans and standards using deterministic, stochastic or estimation methods; developing an inventory planning system that ensures timely receipt of materials and prevention of their overaccumulation; taking into account seasonality of demand and fluctuations in material prices when planning); analysis and control (regular analysis of the use of material resources using indicators such as material efficiency, material consumption, material utilization rate, etc., identifying irrational costs and losses of materials, developing measures to eliminate them); introduction of resource-saving technologies (use of modern equipment to reduce material consumption; introduction of waste-free production technologies, introduction of technologies that allow for more efficient use of materials, replacement of expensive materials with cheaper analogues without loss of quality, wherever possible), and so on.

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