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STRATEGIC DIRECTIONS FOR THE DIGITALIZATION OF ENTREPRENEURIAL ACTIVITY IN MODERN CONDITIONS

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Abstract: This article examines the theoretical and practical aspects of digitalizing entrepreneurial activity in modern conditions. The introduction of digital technologies into the operations of business entities is analyzed as a key factor in optimizing business processes, reducing costs, improving customer relationships, developing e-commerce, and increasing the speed and effectiveness of managerial decision-making. The article puts forward proposals for the digitalization of entrepreneurship in the areas of infrastructure, finance, organization, human resources, e-commerce, artificial intelligence, and cybersecurity.

Keywords: digital economy, entrepreneurship, digitalization, e-commerce, digital transformation, artificial intelligence, FinTech, electronic payments, cybersecurity, digital competencies.

Introduction

In the economy of the 21st century, digital technologies are becoming an integral part of production, services, trade, finance, and management. Digitalization is no longer limited to the use of information technologies or the introduction of individual software applications into a company's operations. It involves rethinking the business model, establishing data-driven management, moving customer interactions to new formats, and improving value-creation processes.

In Uzbekistan, small business and private entrepreneurship constitute an important component of economic activity. According to national statistics, the share of small business in the country's gross domestic product amounted to 52.2 percent at the end of 2025 [22]. This figure indicates that the widespread adoption of digital technologies in the entrepreneurial sector matters not only for the efficiency of individual enterprises but also for national economic growth.

The "Digital Uzbekistan – 2030" strategy is being implemented as one of the institutional foundations of digital transformation in the country [1]. The strategy is aimed at developing the digital economy [3], introducing modern information and communication technologies across economic sectors, and developing digital infrastructure. From this perspective, the digitalization of entrepreneurship should be regarded not merely as a technical upgrade but as a matter of strategic management [2].

The methodological basis of the study comprises the systems approach, statistical analysis, comparative analysis [4], time-series analysis, economic reasoning, and scientific generalization. The analysis draws on official statistical data of the National Statistics Committee of the Republic of Uzbekistan and on government sources related to digital transformation.

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The object of the study is the digital transformation of business entities operating in Uzbekistan, and the subject of the study is the organizational and economic mechanisms, technological tools, and strategic directions of digitalization.

The digitalization of entrepreneurial activity can be viewed in three stages. The first stage is the automation of individual operations, for example, moving accounting, inventory control, electronic document management, and customer database maintenance onto software systems [5].

The second stage is the integration of business processes. At this stage, sales, marketing, finance, logistics, production, and customer relations are combined into a single digital ecosystem [6].

The third stage is the digital transformation of the business model. Here the enterprise not only digitalizes existing processes but also creates new products and services, new sales channels, and new revenue models [7].

The economic effect of digitalization can be expressed as follows: digital transformation → process automation → reduction of time and costs → improved service quality → growth in the number of customers → higher revenue and competitiveness. For this reason, it is advisable to regard digitalization not as an auxiliary activity of the enterprise but as a mechanism of strategic development [8].

The role of small business in Uzbekistan's economy remains significant. According to official data, the share of small business and private entrepreneurship in GDP was 53.8 percent in 2023, 53.5 percent in 2024, and 52.2 percent in 2025.

Table 1.

Share of small business in the GDP of Uzbekistan

Year	Share of small business in GDP, %
2021	56.3
2022	54.3
2023	53.8
2024	53.5
2025	52.2

Source: *National Statistics Committee of the Republic of Uzbekistan.*

These indicators show that small business forms a large part of the national economy. Consequently, the effectiveness of digitalization policy depends largely on expanding the digital capabilities of small businesses.

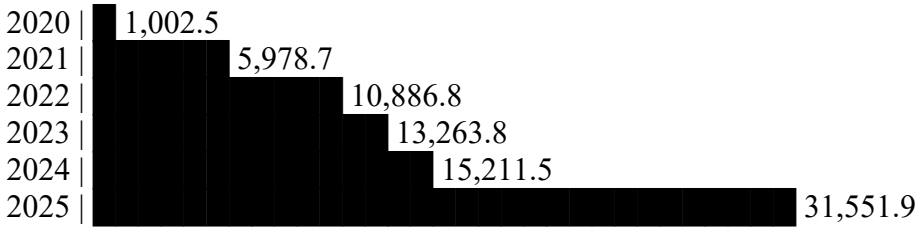
As of 1 October 2024, 399,031 small business entities were operating in Uzbekistan. Of these, 151,265 were engaged in trade, 63,120 in industry, 35,069 in agriculture, forestry, and fishing, 30,329 in construction, 28,492 in accommodation and food services, 16,576 in transportation and storage, and 9,998 in information and communication [22]. This structure shows that the greatest opportunities for digitalization lie in trade, services, logistics, information and communication, and finance.

E-commerce is one of the fastest-growing areas of modern entrepreneurship. According to the National Statistics Committee of Uzbekistan, the volume of e-commerce trade in the country rose from UZS 1,002.5 billion in 2020 to UZS 31,551.9 billion in 2025.

Figure 1.

Dynamics of e-commerce trade volume in Uzbekistan, *UZS billion*

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Source: National Statistics Committee of the Republic of Uzbekistan, SIAT database.

From 2024 to 2025, the volume of e-commerce increased almost 2.1-fold. This growth demonstrates the rising economic importance of digital sales channels for business entities.

The advantage of e-commerce is that entrepreneurs are no longer confined to a geographically limited market. Through online stores, marketplaces, social networks, and mobile applications [9], a small enterprise can reach a much wider consumer base.

Therefore, a strategy for developing e-commerce should include the following elements [10]:

1. developing online trading platforms;
2. expanding electronic payment systems;
3. using digital marketing;
4. automating warehouse and logistics systems;
5. analyzing customer data;
6. using electronic invoices and electronic contracts;
7. ensuring cybersecurity.

An important indicator of the digitalization process is the share of information and communication technology (ICT) services in the economy [11].

In January–June 2026, the share of ICT services in Uzbekistan's GDP reached 2.9 percent. During this period, the gross value added generated by ICT services amounted to UZS 30.3 trillion. Of this, computer programming, consultancy, and related activities accounted for 53.6 percent, telecommunications services for 28.9 percent, and data processing, hosting, and web portals for 10.5 percent [22]. These data indicate the growing role of programming and data-driven services in the digital services economy. Moreover, as of 1 July 2024, small business entities accounted for 95.7 percent of enterprises and organizations engaged in information and communication. Thus, the digital economy itself is creating a new market for small entrepreneurship.

Strategic directions for the digitalization of entrepreneurial activity

1. Developing digital infrastructure

The first prerequisite for digitalization is high-quality and reliable internet infrastructure [12]. Internet speed, fiber-optic networks, mobile network coverage, and access to cloud services create equal digital conditions for small businesses.

The "Digital Uzbekistan – 2030" strategy sets targets for expanding high-speed internet coverage, developing fiber-optic communication networks, and strengthening digital infrastructure [1]. The official investment guide states the goals of extending the fiber-optic network to 250,000 kilometers and achieving 100 percent high-speed internet coverage of the regions by 2030 [13]. Strategically, therefore, infrastructure development should create equal opportunities not only in the capital and large cities but also for small businesses in the regions.

2. Creating a "digital package" for small business

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For many small enterprises, purchasing separate software products may be financially difficult. It is therefore advisable to create a comprehensive "digital package" tailored to small business. It could include the following:

CRM + accounting + electronic document management + inventory control + electronic payments + online sales + analytics.

Such an integrated approach [14] reduces the costs entrepreneurs incur by using various programs separately and simplifies management.

3. Expanding the use of artificial intelligence

In the coming years, artificial intelligence will become one of the key technological drivers of entrepreneurial activity. For small businesses, AI adoption is more likely to take the form of ready-made services than of building large data centers:

demand forecasting → optimal inventory → lower unnecessary costs

customer behavior analysis → personalized offers → higher sales efficiency

automated document processing → time savings → higher labor productivity

The main prerequisites for using artificial intelligence are developing employees' digital competencies and ensuring data security [15].

4. Digital financing and FinTech

The digitalization of entrepreneurship also requires financial services to move into digital form. Mobile banking, QR payments, electronic settlements, online lending, and automated financial monitoring speed up entrepreneurs' financial transactions [16].

In the future, to expand digital financing opportunities for small businesses, risk assessment mechanisms [17] based on an enterprise's e-commerce history, cash flow, payment discipline, and other lawfully obtained data could be used. This approach could create additional opportunities for small enterprises with limited access to financial services.

5. Digital marketing and customer relationship management

In modern entrepreneurship, producing a product is not enough on its own. It is essential to offer the product to the right customer, at the right time, and through the right communication channel.

Entrepreneurs should therefore make systematic use of social networks, search engines, e-mail, messaging apps, marketplace platforms, CRM systems, and digital advertising tools. CRM systems make it possible to analyze customers' purchase history, interests, and inquiries and to develop personalized marketing strategies [18].

6. *Making cybersecurity a strategic priority*

As digitalization expands, so does the need for cybersecurity. Small enterprises often tend to treat cybersecurity as a secondary issue. However, protecting customers' personal data, bank details, and trade secrets is essential for the sustainability of a digital business [19].

It is advisable for business entities to introduce at least the following security measures:

two-factor authentication → regular backups → antivirus protection → cybersecurity training for staff → restricted data access rights.

To assess the effectiveness of digitalization, an approach based solely on whether a digital technology "has or has not been introduced" is insufficient. Results should be measured through specific economic indicators.

Table 2.

Indicators for assessing the effectiveness of business digitalization

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Area	Key indicator	Unit of measure
Sales	Share of online sales	%
Marketing	Customer acquisition cost	UZS
Finance	Share of electronic payments	%
Management	Share of automated processes	%
Customers	Share of repeat purchases	%
Logistics	Order delivery time	hours/days
Labor productivity	Revenue per employee	UZS million
Cybersecurity	Security incidents	number
Innovation	Number of new digital products	number

Thus, the real outcome of digitalization should be measured not by the mere existence of a program or platform but by its impact on the enterprise's economic performance [20].

The digitalization of entrepreneurship faces a number of challenges.

First, digital competencies are insufficiently developed among some small business entities.

Second, the cost of using modern software products and services may be a financial burden for some entrepreneurs.

Third, disparities between regions in access to digital infrastructure and services may persist.

Fourth, insufficient attention to cybersecurity and data protection may undermine the sustainability of digital businesses.

Fifth, some entrepreneurs may perceive digitalization not as a strategic transformation but merely as e-commerce or the use of social networks. Digitalization policy should therefore focus not only on acquiring technology but also on building the competence to use it effectively [21].

The following comprehensive model for the digitalization of entrepreneurship can be proposed for the conditions of Uzbekistan:

Stage	Content	Practical implementation
Stage 1	Digital infrastructure	Internet + cloud services + telecommunications + digital platforms
Stage 2	Business process automation	Accounting + inventory + CRM + electronic documents
Stage 3	E-commerce	Online sales + marketplaces + electronic payments + logistics
Stage 4	Data-driven management	Big Data + BI + forecasting + digital analytics
Stage 5	Artificial intelligence	AI + automated decision support + personalization
Stage 6	Digital business ecosystem	Platform + partners + customers + financial services + public services

This model is designed to move business entities step by step from basic automation to a fully digital business model. Based on the results of the study, the following strategic proposals can be put forward:

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First, to develop a subsidized or concessional "digital transformation package" for micro, small, and medium-sized businesses.

Second, to establish digital competence centers for entrepreneurs in the regions and expand practical training.

Third, to create a unified system of methodological and technological support for small businesses entering e-commerce.

Fourth, to strengthen cooperation between local software developers and small businesses.

Fifth, to introduce minimum cybersecurity standards for business entities.

Sixth, to develop practical programs for small businesses on the use of AI-based services.

Seventh, to create a unified system of indicators for assessing the effectiveness of digitalization.

Eighth, to regularly monitor the level of development of digital entrepreneurship across regions.

Conclusion

The analysis shows that digitalization is becoming not a separate element of modern entrepreneurial activity but a mechanism of its strategic development. The fact that small business accounted for 52.2 percent of Uzbekistan's GDP in 2025 underscores the importance of the entrepreneurial sector in the economy. At the same time, the growth of e-commerce trade from UZS 1,002.5 billion in 2020 to UZS 31,551.9 billion in 2025 attests to the rapid development of digital sales channels.

The fact that the share of ICT services in GDP reached 2.9 percent in January–June 2026, with UZS 30.3 trillion of gross value added generated in this sector, likewise shows the growing role of the digital economy in the national economy [23].

Going forward, policy on the digitalization of entrepreneurship should aim not merely at introducing technological tools but at developing digital infrastructure, human capital, e-commerce, FinTech, artificial intelligence, cybersecurity, and data-driven management as a single integrated system.

Overall, the strategic goal of digital transformation is not to turn the entrepreneur into a mere "technology user" but to shape a modern economic actor capable of making rapid decisions in a digital environment, anticipating market demand, creating innovative products, and entering global markets.

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