



EFFECTIVE ORGANIZATION OF THE ASSESSMENT PROCESS OF BUSINESS PROJECTS

RAZZAKOV JASUR HAMRABOEVICH

Professor of the Department of "Finance and Financial Technologies", Tashkent State University of Economics, DSc

Tashkent, Uzbekistan. Email: razzaqovjasur70@gmail.com

ORCID-0009-0003-6534-1893

Universal Decimal Classification: 338.984

Abstract. In this article, the researches of a number of economic scientists have been researched in the study of the issues of effective organization of the practice of assessing the effectiveness of business projects. The methods used in assessing the effectiveness of business projects, the possibilities of developing projects and using due diligence practice in this process are analyzed. Scientific conclusions are given based on the conducted research.

Keywords: project, business project, project effectiveness, project effectiveness assessment, project development, due diligence, investment.

Introduction.

Effective organization of the practice of assessing the effectiveness of business projects serves the emergence of large business entities in the country's economy, increases the effectiveness of the projects being implemented, and successfully implements projects into practice. Expected results can be achieved through a number of directions in the effective organization of the practice of assessing the effectiveness of business projects. In particular, the use of "due diligence" practice in business projects in our country increases the efficiency of projects.

The use of "due diligence" practice in business projects has a number of positive aspects, so it is widely used in the practice of developed countries to evaluate the effectiveness of projects. Due diligence involves the process of analyzing all factors related to candidate projects, identifying appropriate methods and opportunities for their implementation. Decision makers should have a good understanding of project forecasting to ensure the safety of their investment. Also, due diligence of the project will allow you to identify gaps in the project. A project audit reveals a comprehensive forecast that takes into account all the important factors that affect the success of the project. This process is also important in studying the economic, political or environmental factors affecting the project. Therefore, in the national practice, it is important to study the issues of effectively organizing the assessment of the effectiveness of business projects and using the "due diligence" practice in this process.



Literature Review.

The practice of assessing the effectiveness of business projects is one of the areas studied in most countries, and it serves to ensure that the effectiveness of projects is beneficial to investors and project owners. Therefore, many researchers have conducted research on this practice. According to V. Bouras, "successful completion of the project depends on cost, time and efficiency (quality). Later, more criteria were added by the researchers to measure the success of the project and today many aspects are focused on. [1]. Currently, when evaluating the effectiveness of the project, taking into account many indicators serves to reduce the risk of the project or to form accurate calculations.

E.R. Escombe focused on the fact that "risk assessment by creditors is based on the financial impact of a certain risk on the viability of the project, as well as on the probability of its actual occurrence" [2].

Z. Wang et al. "the project evaluation process covers a step-by-step process from a single economic evaluation to a multi-dimensional comprehensive evaluation. Based on the network nature of the project, attention is paid to the assessment of its social and economic impact. Therefore, researchers take into account some social factors when choosing evaluation indicators" [3]. The attractiveness of the project can be determined by determining the social and economic consequences of the project in the evaluation of the project efficiency.

According to research conducted by M. Zada and others, "project management effectiveness (PME) should include the process from project initiation to implementation. Effective project management also includes defining project scope, developing procurement procedures, tracking progress, and making payments on time" [4]. When financing business projects, it is necessary to clearly define the effectiveness of project management.

When assessing the effectiveness of business projects, it is necessary to qualitatively and quantitatively analyze existing risks. "Qualitative risk analysis consists of identifying the main risks that can be expected for the project, studying its consequences in the implementation of the project and determining ways (measures) of risk reduction. Quantitative analysis of risks consists in studying the change of project efficiency criteria as a result of the change of a number of factors on the project from the point of view of risk" [5].

D. Abdurahimova touched on the possibilities of using modern financial technologies to improve the efficiency of projects in commercial banks. "Process automation, improved risk management, and personalized customer service all contribute to increasing bank profitability and overall competitiveness" [6]. The importance of financial technologies in improving the efficiency of projects in commercial banks is increasing.

According to D. Abdikarimova, "bank loans are becoming important in creating wide opportunities for achieving economic development in our country, developing various sectors of the economy, as well as establishing various forms of doing business" [7]. It can be seen that the effectiveness of business projects is directly related to the form of financing of this business.

In national practice, the use of modern financial services such as "online financial consulting, investment crowdfunding, financial risk assessment technologies" [8] in order to correctly assess and



reduce risk in business projects helps to increase the effectiveness of the business project being implemented.

A. DavlyatshaeV stated that "the prospective profitability of the project, that is, its final scientific, technical, social, ecological and economic efficiency, is the most important issue for business projects implemented in market conditions. Therefore, managers of enterprises should have selection tools and methodological approaches to evaluate the economic efficiency of investment projects. If the project is economically efficient, it can be implemented, and on the contrary, if it is ineffective, it should be rejected" [9].

"Another reason for the deterioration of the company's financial condition is a bank loan taken in foreign currency, the fulfillment of obligations under which is increasing the loss of the company from financial activities" [10]. When taking a loan from foreign banks for business financing, it is necessary to take into account the currency risk and be prepared for expected losses. Also, currency risk should be taken into account in business projects involving foreign investors.

Based on the opinions of the above researchers, it should be noted that in the effective organization of the assessment of the effectiveness of business projects, attention should be paid to risk assessment, cash flow forecasting, and determination of financial and economic efficiency. In addition, it is necessary to conduct a wider study of the use of modern financial technologies and the use of "due diligence" practices in the implementation of projects.

Analysis and results.

When evaluating the effectiveness of projects, it is necessary to pay attention to the effective organization of "due diligence" practice. Application of project development and project due diligence to business projects requires a detailed study of the project to confirm its viability for proposed infrastructure projects, conduct due diligence, and determine specific design parameters to develop the scope of the project. This aspect ensures that a well-planned and developed project is delivered and that procurement processes for the project are based on accurate and relevant information.

It is important to note that the project development and due diligence process is not intended to add new activities to the project or investment life cycle, but to provide guidance on which activities should be considered at which stage of the project to increase the chances of project success. In the final project plan, the project initiator selects the level and elements of the appropriate project development and due diligence process.

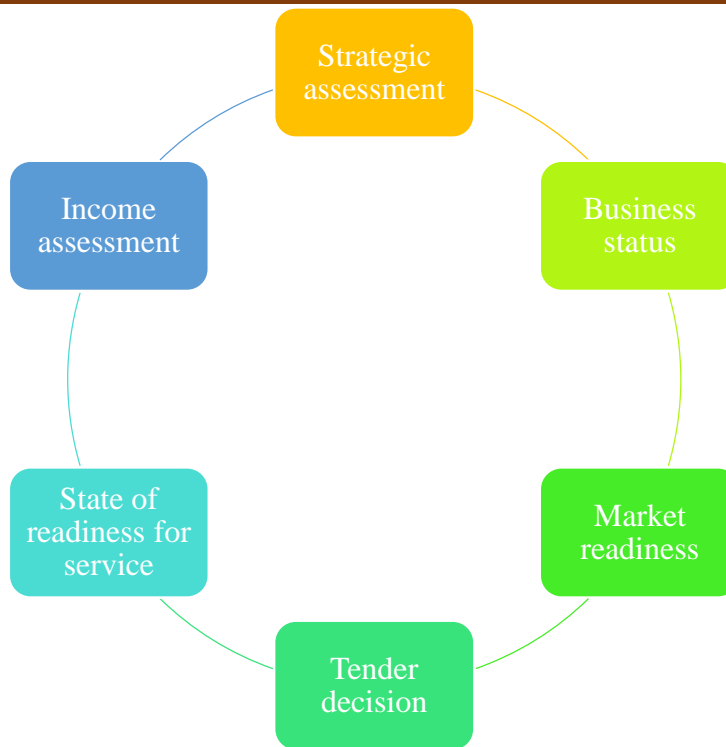


Figure 1. Gateway Review Process (GRP) method steps ¹

In international practice, the Gateway Review Process (GRP) method is used to determine the effectiveness of projects in project development and organization of the due diligence process. This method of project validation examines projects at key decision points of the project life cycle. The process uses a group of independent external experts to provide timely advice to the project owner (the project sponsor) on the current progress of the project and the risk rating of moving to the next stage. Projects must undergo a six-step review (Figure 1).

Provides an investment life cycle to assist project owners developing investment projects. They are designed to formulate proposals, provide information on investment decisions, monitor the implementation of projects and monitor the effectiveness of investments. This process covers 3 stages of project review Table 1 It is necessary to apply the above-mentioned aspects of project efficiency assessment to business projects in national practice.

¹ It was formed by the authors on the basis of economic literature

Table 1

Considerations in the life cycle of investments in the financing of business projects ²

Indicators	Business Status	Purchase	Delivery
Tasks	Identifies the need, defines the benefits, studies the intervention, calculates the costs, determines the delivery process.	Researches delivery options, finalizes delivery plan, attracts market, concludes contract.	Implements a solution, transfers investments to a normal business.
Questions to be answered	What is the problem or service need? What is the benefit of solving the problem? Is there a compelling case for investing? Can the project be delivered as planned?	Which method of delivery of investments is preferable?	Are investments going as planned? Need a change for investment?

Project development and the application of project due diligence to business projects play an important role in project development and delivery (Figure 2).

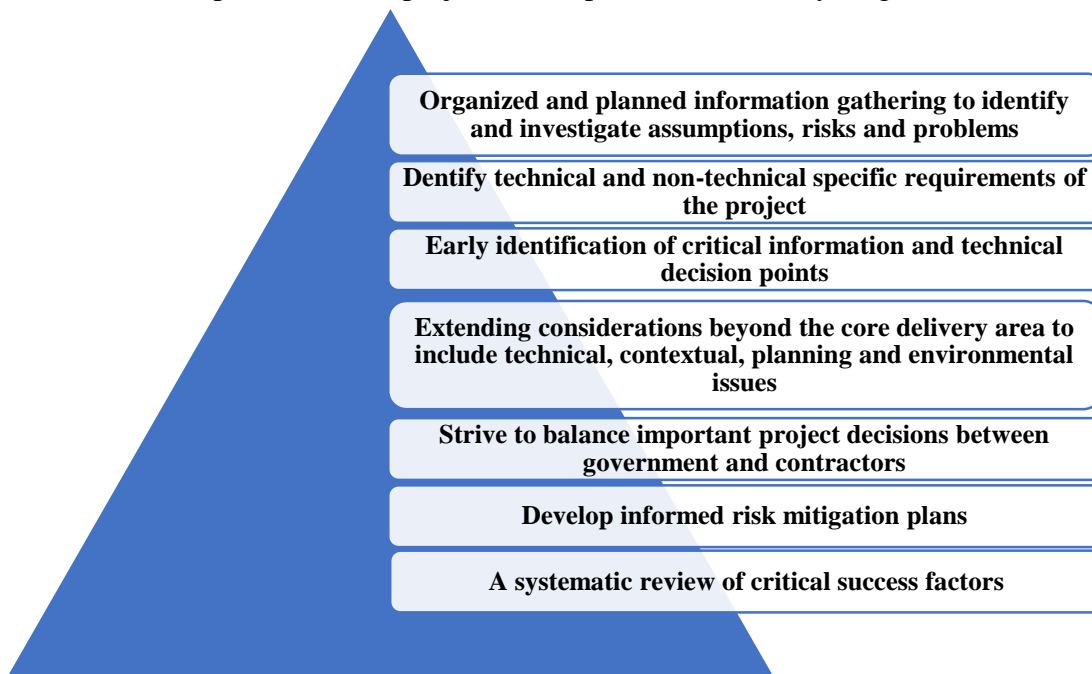


Figure 2. Processes focused on project development and due diligence in business projects ³

In business projects, systematic and planned information gathering to identify and verify assumptions, risks and problems as processes focused on project development and due diligence practices, identify specific technical and non-technical project requirements, identify critical

² It was formed by the authors on the basis of economic literature

³ It was formed by the authors on the basis of economic literature

information and technical decision points early, expand considerations beyond the core deliverables to include technical, contextual, planning and environmental issues, balance key project decisions between government and contractors aspiration, the development of sound risk mitigation plans, and a systematic review of critical success factors should be emphasized (Figure 2).

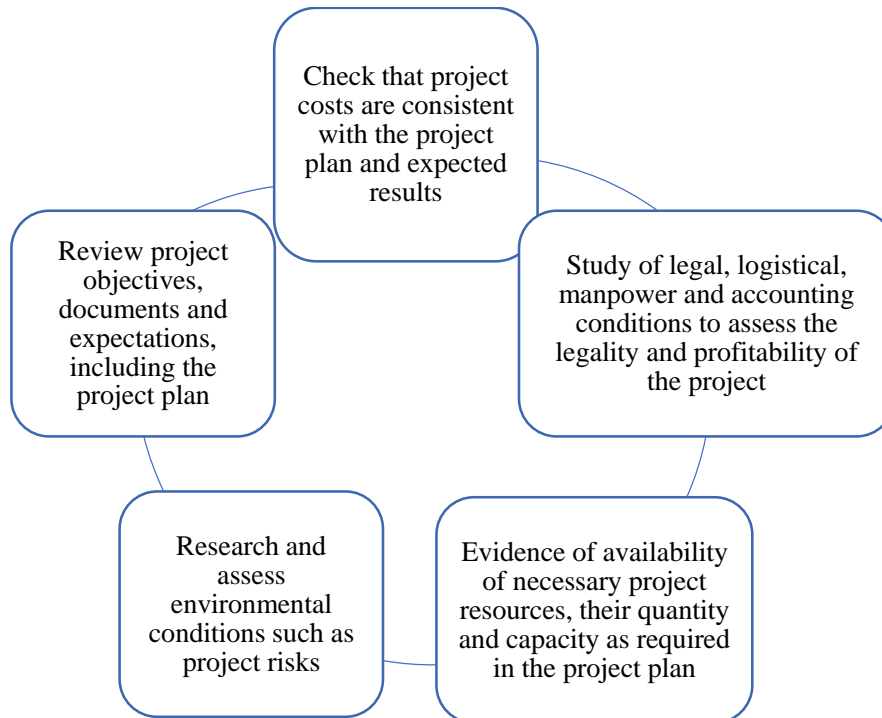


Figure 3. Directions for organizing "due diligence" practice in projects ⁴

Figure 3 shows the directions for organizing the "due diligence" practice in projects, and the following should be noted as these directions: study of legal, logistics, labor and accounting conditions to assess the legality and profitability of the project, as required by the project plan, the necessary project resources, their to prove the availability of quantities and opportunities, to research and assess environmental conditions such as project risks, to verify project objectives, documents and assumptions, including the project plan, and to verify that project costs are consistent with the project plan and expected results.

Conclusion.

Based on the above analysis, the following conclusions were formed:

effective organization of the practice of assessing the effectiveness of business projects serves the emergence of large business entities in the country's economy, increases the effectiveness of the projects being implemented, and successfully implements projects into practice;

expected results can be achieved through a number of directions in effectively organizing the practice of assessing the effectiveness of business projects. In particular, special attention should be paid to the use of "due diligence" practices in business projects in our country;

⁴ It was formed by the authors on the basis of economic literature



in the effective organization of the assessment of the effectiveness of business projects, attention should be paid to risk assessment, cash flow forecasting, and determination of financial and economic efficiency. In addition, it is necessary to conduct a wider study of the issues of applying modern financial technologies and using "due diligence" practice in the implementation of projects; project development and the application of "due diligence" practices in the project to business projects, for the proposed infrastructure projects, detailed study of the project to confirm its feasibility, conducting appropriate level inspections and determining the exact design parameters are necessary to develop the scope of the project.

References

1. Vassilis K. Bouras. A Method for the Evaluation of Project Management Efficiency in the Case of Industrial Projects Execution. // *Procedia - Social and Behavioral Sciences*, Volume 74, 29 March 2013, Pages 285-294
2. E.R. Yescombe. *Principles of Project Finance*. // Academic Press, California, USA, 2002. – P. 138.
3. Zhaohua Wang, Qiang Liu, Bin Zhang. What kinds of building energy-saving retrofit projects should be preferred? Efficiency evaluation with three-stage data envelopment analysis (DEA). // *Renewable and Sustainable Energy Reviews*, Volume 161, June 2022.
4. Muhammad Zada, Jawad Khan, Imran Saeed, Shagufta Zada, Zhang Yong Jun. Linking public leadership with project management effectiveness: Mediating role of goal clarity and moderating role of top management support. // *Heliyon*, Volume 9, Issue 5, May 2023.
5. Khujamkulov D.Yu., Ismailov D.A. Management of investment projects. Study guide. - T.: TDIU, 2019. - 302 p. Karimovna A. D. EFFICIENCY OF USING FINANCIAL TECHNOLOGIES IN BANKS // *International journal of economic perspectives*. – 2023. – T. 17. – №. 12. – C. 12-18.
6. Abdikarimova D. R. Ways to improve the practice of bank loan collateral assessment // Abstract of the dissertation written for the PhD degree. - 2018. - T.
7. Omonov S. O'. Increasing the activity of institutional investors in the capital market // Abstract of the dissertation written for the PhD degree. - 2023. - T.