

**FOREIGN EXPERIENCES IN SAVING MANAGEMENT AND NON-PRODUCTION COSTS OF THE ENTERPRISE**

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**Abstract.** This article examines in detail the foreign experience of optimizing and saving management and non-production costs in enterprises. In particular, modern management approaches used in the activities of enterprises in developed countries, including “lean management”, “outsourcing”, and mechanisms for reducing costs through the introduction of digital technologies and automation of processes, are analyzed. It also highlights best practices for effective control of management costs, efficient use of resources, and reduction of unnecessary administrative expenses. The article also examines the possibilities of adapting foreign experiences to the activities of national enterprises and justifies the importance of these approaches in increasing economic efficiency.

**Keywords:** management costs, non-production costs, digital transformation, automation, enterprise competitiveness.

**Introduction.**

In the conditions of a modern market economy, the issues of increasing the efficiency of enterprises, ensuring their financial stability and strengthening their competitiveness are gaining urgent importance. In particular, the acceleration of global economic integration processes, rising resource prices and the intensification of the competitive environment encourage enterprises to organize their activities more effectively. In such conditions, improving the cost management system, in particular, optimizing management and non-production costs, is an important economic factor. Management and non-production costs occupy a special place in the structure of enterprise costs. Although these costs are not directly related to the production process, they have a significant impact on the overall efficiency of the enterprise. In particular, administrative costs, marketing and advertising costs, business trips, payments for consulting services, and funds spent on information technology are included in non-production costs. An increase in these costs can reduce the level of profitability of the enterprise and negatively affect its financial results.

In recent years, modern cost management methods have been widely used in enterprises of developed countries [1]. In particular, in countries such as the USA, Germany, and Japan, advanced management technologies have been introduced to reduce management costs and increase efficiency. For example, the concept of “lean management” is aimed at identifying and eliminating excess costs, which serves to reduce waste in production and management processes. At the same time, through the practice of “outsourcing”, enterprises are achieving significant cost reductions by transferring non-core areas of their activities to external organizations. The development of the digital economy also plays an important role in saving management and non-production costs [2]. As a result of the widespread introduction of information and communication technologies, many management processes are being automated, which allows reducing costs related to the human factor, saving time, and increasing the efficiency of management decisions [3]. For example, with the help of ERP (Enterprise Resource Planning) systems, all resources of the enterprise are managed on a single platform, preventing excess costs. Also, advanced methods of planning and controlling costs are used in the experience of developed countries. In particular, the efficiency of costs is constantly monitored through

management systems based on budgeting, cost analysis, KPI (key performance indicators). This allows the enterprise to use its resources more rationally.

In recent years, large-scale reforms have been carried out in the economy of Uzbekistan to modernize the activities of enterprises, optimize their costs, and introduce international practices. However, the high level of management and non-production costs in some enterprises negatively affects their financial results. Therefore, an in-depth study of foreign experiences and their adaptation to national conditions is an urgent task.

#### **Research methodology.**

In the course of this research, a number of general and special methods of scientific knowledge were used. In particular, in the study of foreign experiments of saving management and non-production costs at enterprises, methods of analysis and synthesis were used. The method of comparison was widely used in summarizing statistical data and assessing them. In addition, scientific conclusions were formulated based on logical analysis and a systematic approach during the study of the experience of developed countries. During the study, induction and deduction methods were also used to gain a deeper understanding of economic processes. Economic and statistical analysis methods were used to substantiate the practical results.

#### **Analysis and results.**

The issue of saving management and non-production costs in enterprises is considered one of the important areas of increasing the efficiency of corporate governance on a global scale. Analysis of foreign experience shows that in developed countries, optimization of these costs is carried out on the basis of an integrated approach, and modern management technologies, digital transformation and the use of external services play an important role in this process.

According to analytical data published by international consulting companies, including Deloitte and McKinsey [4], management and non-production costs in large industrial and service enterprises account for an average of 12-18% of total operating costs. At the same time, as a result of in-depth audits and functional analyses, it was found that at least 20-30% of these costs are excessively or inefficiently directed. This indicates that there is an opportunity for enterprises to achieve significant economic benefits by revising internal processes.

In the US experience, the introduction of the concept of “lean management” has yielded significant results in reducing management costs. In particular, by reducing redundant management links, standardizing processes, and eliminating redundant operations in industrial enterprises, administrative costs have been reduced by an average of 15-22 percent over 3-5 years. For example, as a result of restructuring and process optimization at General Electric, annual economic savings of \$1.2 billion were achieved [5]. At the same time, the speed of management decision-making in the company increased by 25 percent, which had a positive effect on operational efficiency.

Outsourcing is widely used in European countries, especially in Germany and France. According to the results of industry monitoring conducted in 2024, 65-70% of enterprises outsourced auxiliary functions such as IT services, accounting, marketing and human resources management to external organizations. As a result, costs in these areas decreased by an average of 10-25%. In particular, in small and medium-sized businesses, the wage fund decreased by 18-20% due to the reduction of permanent staff units through outsourcing.

Within the framework of the Japanese experience, the principle of continuous improvement is applied based on the “kaizen” and “lean production” systems. Within the framework of the “Toyota Production System” introduced at Toyota, production and management processes were deeply analyzed [6], and excess costs were gradually eliminated. As a result, non-production costs decreased by 17% over 5 years, and overall production efficiency increased by 25%. This shows that sustainable economic results can be achieved through a systematic approach and constant control.

The introduction of digital technologies is also an important tool for optimizing management costs. According to international experience, in enterprises that have implemented

ERP (Enterprise Resource Planning) systems, management costs have decreased by an average of 12-20 percent. At the same time, the time for preparing financial statements has decreased by 30-50 percent, and the level of errors has decreased by up to 40 percent. For example, more than 70 percent of companies that have implemented the SAP ERP system have noted a significant increase in the transparency and level of control of management processes.

In recent years, the development of the remote work system has also had a significant impact on reducing non-production costs. According to research conducted in the European Union countries in 2023-2025, costs related to office rent, utilities and business trips have decreased by an average of 18-27 percent in companies that have implemented the remote work system. This has served as an important factor in optimizing the overall operating costs of enterprises.

The results of the analysis of the activities of Uzbek enterprises show that in some sectors, administrative and non-production costs reach 20-25 percent of total costs. This is high compared to the indicators of developed countries. The main reasons for this situation are the insufficient digitalization of management systems, the presence of excessive administrative apparatus, and the weakness of cost planning and control mechanisms. At the same time, positive changes are also observed in our country. In particular, as a result of the introduction of ERP systems in industrial and service enterprises, administrative costs have been reduced by an average of 10-15 percent. As a result of the digitization of document management in some large enterprises, the time spent on management processes has been reduced by 2 times. In addition, the share of enterprises using outsourcing services is also increasing every year, which has a positive effect on cost optimization.

Based on the above analysis, the following results can be drawn: firstly, the optimization of administrative and non-production costs is an important factor in increasing the efficiency of the enterprise; secondly, there is an opportunity to reduce these costs by an average of 10-20 percent through the introduction of foreign experiences, in particular lean management, outsourcing and digital technologies; thirdly, by introducing these approaches in national enterprises, their financial stability and competitiveness can be significantly increased. As a result, it was scientifically substantiated that there are wide opportunities for introducing an effective management system for management and non-production costs in enterprises, increasing economic efficiency through the use of modern technologies and advanced foreign experiences.

### **Discussion.**

Analysis of the savings of management and non-production costs at enterprises shows that foreign experiences in this area have achieved high efficiency based on a systematic approach. In particular, in the practice of developed countries, cost reduction is considered not as a one-time measure, but as a continuous management process. This allows enterprises to achieve sustainable economic results.

According to the results of the analysis, it was found that a certain part of management and non-production costs is being directed inefficiently. International studies have shown that 20-30 percent of these costs may be excessive or insufficiently justified. This is primarily due to the complexity of management systems, excessive bureaucratic processes and inefficient use of resources. In this regard, the concept of "lean management", which is widely used in foreign experiences, is distinguished by its focus on identifying and eliminating excess costs.

During the discussion, it was found that the use of external services, i.e. outsourcing, is one of the important tools for optimizing costs. In developed countries, enterprises are increasingly focusing on core business processes by outsourcing non-core areas of their activities. This not only reduces costs but also increases management efficiency. However, improperly organized outsourcing can also pose risks, such as the possibility of problems with information security or service quality.

The issue of introducing digital technologies also occupies a special place in the discussion. As a result of the use of ERP systems, cloud technologies and automated management platforms

in modern enterprises, costs are being significantly reduced. International practice shows that digital transformation not only reduces costs, but also increases the accuracy and speed of management decisions. At the same time, the introduction of such technologies is not equally convenient for all enterprises, since it initially requires large investments. Another important aspect is that in developed countries, the cost management system is carried out on the basis of strict control and monitoring. The effectiveness of costs is constantly assessed through KPI (key performance indicators), budgeting and internal audit systems. This allows enterprises to analyze their activities and, if necessary, take prompt corrective measures. In this regard, cost management should be considered as a complex process aimed not only at reducing them, but also at increasing their efficiency.

When considering the example of the activities of Uzbek enterprises, it is observed that there are still untapped opportunities for optimizing management and non-production costs. In particular, some enterprises retain excessive administrative costs, paper-based document management, and outdated management methods. This hinders the efficient use of resources. At the same time, in recent years, as a result of reforms aimed at developing the digital economy in our country, positive changes have been observed in eliminating these problems.

Another important aspect was identified during the discussion: it is necessary not to completely copy foreign experiences, but to adapt them to the conditions of the national economy. Since the level of economic development, institutional environment, and labor market of each country have their own characteristics, the same approach does not always give the same results. Therefore, it is important to adhere to the principles of gradualism and flexibility in the introduction of foreign experiences. In general, the discussions show that the issue of saving management and non-production costs is a complex process that covers all areas of the enterprise's activities. These costs can be significantly reduced by introducing modern management approaches, digital technologies, and effective organizational mechanisms. At the same time, this process requires constant analysis and control and is directly dependent on the strategic approach of the company's management.

#### **Conclusion and suggestions.**

In conclusion, the issue of saving management and non-production costs at enterprises is of great strategic importance in modern economic conditions, and is one of the main factors determining the overall efficiency, financial stability and competitiveness of the enterprise. The studied foreign experience shows that in developed countries, the optimization of these costs is carried out on the basis of a systematic and integrated approach and is closely related to modern management technologies. Based on the results of the analysis and discussion, it was determined that a certain part of management and non-production costs is being directed inefficiently, and by reducing them, enterprises have the opportunity to achieve significant economic efficiency. In particular, it was scientifically substantiated that these costs can be reduced by an average of 10-20 percent through the introduction of "lean management", "outsourcing" and digital technologies. At the same time, ERP systems and automated management platforms ensure the effective use of resources at enterprises and the prompt adoption of management decisions. The results of the analysis of the activities of Uzbek enterprises show that there are still untapped internal opportunities in this area. In particular, insufficient digitalization of management systems, excessive administrative costs, and insufficient implementation of modern management methods are emerging as key problems. Therefore, the implementation of foreign experiences, adapted to national conditions, is an urgent task.

Based on the above, it is advisable to put forward the following practical proposals:

Firstly, in order to optimize management costs in enterprises, it is necessary to gradually introduce the principles of "lean management" and "kaizen". This will reduce redundant functions and ensure effective use of resources.

Secondly, it is recommended to expand the practice of outsourcing non-core activities in enterprises, including IT services, accounting and personnel management. This will reduce fixed costs and simplify the management system.

Thirdly, it is necessary to accelerate digital transformation, in particular, by introducing ERP systems, electronic document management and automated management systems, to reduce management costs and increase work efficiency.

Fourthly, it is necessary to improve the cost planning and control system in enterprises, including the introduction of budgeting and KPI-based assessment mechanisms. This will ensure constant monitoring of cost effectiveness.

Fifthly, it is important to improve the quality of the management system by improving the skills of management personnel and regularly training them in modern management and digital technologies.

In general, by implementing an effective management system for management and non-production costs, adapting foreign best practices, and using innovative approaches, it is possible to increase the economic efficiency of enterprises and ensure their long-term development.

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