

FEATURES AND METHODS OF USING REGIONAL BENCHMARKING

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Abstract

This article examines benchmarking and its essence, as well as the significance of benchmarking in selecting priority directions for the development of the regional economy.

Keywords

benchmarking, regional benchmarking, regional development, creation of competitiveness, regional competitiveness.

Introduction. Currently, achieving competitiveness through the full use of internal capabilities is the foundation of strategic development for each region. Competitiveness is achieved by identifying the factors of competitiveness and enhancing their role in regional development based on the study of practices from leading regions, areas, and cities. "Why does one region occupy a leading position?" - in the search for an answer to this question, it is necessary to form a scientific approach to regional competitiveness indicators, identify comparable indicators, and systematize factors.

Methods. In global practice, such analysis is called "benchmarking." It was initially used in the business environment and later became part of regional studies. While benchmarking is most commonly associated with business organizations, its application at the regional level allows for an evaluation of a region's development potential. In business, benchmarking refers to the continuous study of best practices in various fields, including those of competitors, in order to eliminate mistakes and develop measures for implementing best practices. Benchmarking is a comparative analysis based on criteria, a process of identifying, understanding, and adapting existing examples of effective business operations to improve performance.

Regional benchmarking is based on in-depth comparative analysis of various objects of regional economy to identify unique opportunities within the territory. In the European Union, significant attention is given to regional development based on the benchmarking methodology. Interest in using this method is growing in all

countries. In modern conditions, issues related to the balanced development of regions and ensuring their economic security are highly relevant. The ranking of specific industries, economic entities, and regions is carried out in various directions. The issues of regional development and the search for tools to substantiate strategies for regional development, as well as methods for interaction and coordination of regions and cities, have gained particular importance.

The choice of priority areas for regional development implies the improvement of certain structural parameters of the regional economy and the regional process system as a whole.

Results. Benchmarking is one of the marketing methods used by various companies since 1950. This method was first used in the USA and later spread throughout the global business world. Benchmarking began to be applied practically in the 1980s, with Xerox being the first company to adopt this method. A foreign competitor, which surpassed Xerox and demonstrated superior performance, prompted Xerox's leaders to identify the sources of this competitive advantage in order to copy or even surpass the competitor.

The term "benchmarking" encapsulates a very simple idea: find the most efficient company in the market, either globally or in a specific region, working on a clearly defined process or task, study them, and then adapt their practices to your own business. In other words, it involves comparing oneself to leaders in the field and organizing business processes in such a way that the same results are achieved.

Discussion. The term "benchmarking" does not have a direct translation from English. "Benchmarking" comes from the English words "bench" (level, height) and "mark" (sign, reference point), which means "comparison with a model" or "base level." The term "benchmark" was used by surveyors who used "benchmarks" as reference points to determine distances and set boundaries for areas. At the same time, Professor B. Andersen from the Norwegian University of Science and Technology writes that the literal translation of the English term "benchmarking" means "stone seat" and provides the following example: imagine that two stone slabs are placed on their edges on top of a mountain, visible to all, and another slab is placed on top of them at a small distance. This forms a stone seat. This idea – comparison with a reference point – has become widely used in economics.

B. Andersen defines benchmarking as "... the collection of information to help determine the goal of improving a company and develop measures to improve its operations based on continuous measurement and comparison of one business process with that of a leading organization."

Thus, from the perspective of the process, benchmarking is the study of management methods of successfully operating structures and organizations,

comparing them with the indicators of one's own organization, and identifying weaknesses.

Different definitions of benchmarking share the following common elements:

- Development of competitive advantages;
 - Studying the best practices of entrepreneurship from any industry or country;
- Creative application of information to enhance production efficiency based on comparisons of organizational performance.

This means that benchmarking is a lever for the creative and innovative adaptation of existing best practices to create and maintain the competitiveness of a company.

The evolution of benchmarking has occurred in five stages:

- **First generation** (product benchmarking): retrospective analysis of a product, with the aim of creating similar products based on the purchase of competing goods and services.
- **Second generation** (competitiveness benchmarking): developed between 1976-1986 by Xerox.
- **Third generation**: formed in the late 1980s and early 1990s, it started to differentiate exemplary business processes not only among competitors but also in different industries.
- **Fourth generation** (strategic benchmarking): considered as part of the overall decision-making process focused on organizational improvement.
- **Fifth generation** (global benchmarking): a tool for organizing international exchange with a future-oriented focus, considering organizational culture and national production processes.

Benchmarking is a method of assessing goals and performance strategies by comparing them with leading companies to ensure long-term sustainability in the market as a leader.

Benchmarking is often considered in relation to business organizations, but its application at the regional level is also examined when assessing regional development opportunities. The comparative analysis underlying benchmarking helps to form competitive advantages and innovation strategies, monitor, and assess proposed initiatives and directions.

According to D. Clary, G. Grutendorst, and C. Nichols, regional benchmarking is "the assessment of regional development using a broad set of indicators." According to C. Koellreuter, regional benchmarking should be defined as interregional comparison, where "activities, processes, practices, and policies are compared, and this data is used to improve regional development." The specific

goals of territorial comparative analysis include the internal analysis of the competitive situation in each region, which serves to refine and improve the region's economic development strategy. Comparison with other regions facilitates understanding the current development status of each participating region and provides areas for improvement. Benchmarking facilitates the identification of best practices from other companies and their dissemination across the region or country.

Conclusion. In Uzbekistan, many regions have untapped advantages. To develop such regions, it is advisable to use the benchmarking method. However, regions with similar characteristics are rare, so the development of a unified model for assessing regional indicators is necessary.

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