

**DEVELOPMENT OF PROCESS MANAGEMENT IN AUDIT COMPANIES
AMID THE GROWTH OF THE CONSULTING SERVICES MARKET IN
UZBEKISTAN**

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Annotation. The main focus of this study is to find practical suggestions for improving the process management system in companies with audits based on the need to significantly improve both operational efficiency and service quality. The hypothesis suggests that the introduction of a more complex, improved process management model, integrated with advanced management technologies and a single set of workflows, combined with the continuous development of staff competencies, can radically affect the company's productivity in a competitive market. We partially applied the work to such methods as system, comparative, economic and statistical analysis, SWOT analysis, and analysis of the content of the regulatory framework. The results prove that building a successful process management system allows consulting (audit) organizations not only to increase customer confidence and guarantee quality services, but also to support the company's growth, which plays an important role in creating an established and professional business environment in Uzbekistan.

Keywords: consulting activities in Uzbekistan, audit and consulting services, the role of audit companies in the business environment, increasing demand for consulting services, process management of a consulting company, improving the process management system.

1. Introduction

To promote the role of the service sector in the country's economy and continue providing incentives for entrepreneurship in the consulting industry, the President of the Republic of Uzbekistan signed Decree No. RP-78 dated February 27, 2025 "On additional measures to create favorable conditions for the sustainable development of the service sector". The decree sets target parameters for the development of the service sector and its monitoring. Thus, consulting in Uzbekistan is no longer "something extra". It becomes a necessary development

tool, like access to finance, technology, or trained personnel. The deeper it penetrates, the more it will affect the growth and development of Uzbek companies. Management of consulting companies, such as audit firms, is a complex and difficult process that requires a close economic understanding of intellectual and professional activities. Especially in the context of today's developing Uzbekistan, which is in constant processes of digitalization, modernization of business processes and an increase in the number of opportunities for young developing enterprises, consulting activities can contribute to continuous improvement of management. Consulting as an economic enterprise is a specific type of service provision that seeks to solve and optimize customer operations. The economic nature of the product is related to the immateriality of the product, high intellectual abilities, emphasis on generating additional profit for the client, the role of human capital, long-term relationships and pricing specifics. Despite the dynamic transformation of the consulting market in Uzbekistan, there are still problems with the development of effective process management, which serves as a guarantee of a viable and competitive company. Existing management models are not necessarily compatible with the national business environment, apply modern methods of analysis and optimization only in a limited sense, and are not adapted in the long term to the quality and innovation of services. Thus, the scientific task is to build an effective management system.

2.Literature review

The formation of a process approach in management is associated with the evolution of ideas about the organization as a system of interrelated actions aimed at creating value for the consumer. Unlike traditional functional management, which focuses on the vertical distribution of responsibilities, the process model considers the enterprise through the prism of end-to-end operations that combine various departments into a single logical chain of result creation.

The development of this concept was significantly influenced by the research of Michael Hammer and James Champy, who justified the need for a radical revision of business processes in order to improve efficiency and quality. Their approach did not involve gradual improvement of individual functions, but a systematic rethinking of the logic of the organization's activities. Later, the ideas of reengineering were developed in the works of Thomas Davenport, who focused on the relationship between processes, information technology and strategic management, emphasizing the importance of analytics and digital tools in the transformation of the organizational structure.

The modern theory of Business Process Management treats process management as a continuous management cycle, including modeling, regulation, monitoring and optimization of processes. Within this framework, measurability of results, transparency in the distribution of responsibility, and consistency of processes with the organization's strategic goals are of particular importance. Research shows that the introduction of a process architecture helps reduce operational risks, improve coordination between departments, and create sustainable competitive advantages.

At the same time, the application of the process approach in the field of professional services has its own specifics. Consulting and audit companies operate in conditions of high intellectualization of labor, where the key resource is human capital. The service is formed in the process of interaction between the specialist and the client, which makes it difficult to fully standardize operations. Scientific publications devoted to professional service organizations emphasize the need for a balance between regulating procedures and maintaining flexibility that allows you to take into account individual project characteristics.[5]

A separate area of research is related to knowledge management in audit firms. Since a significant part of the value is created at the expense of expert competencies, an effective process management system should include mechanisms for accumulating and transferring professional experience. Thus, the process approach in consulting is considered not only as a tool for operational optimization, but also as a way to structure the company's intellectual capital.

In the context of developing economies, the institutional environment is of particular importance. Regulatory acts posted on the platform Lex.uz They reflect the consistent improvement of regulation of the service sector in Uzbekistan. World Bank's analytical reviews highlight the role of professional services in ensuring sustainable economic growth and increasing the country's investment attractiveness. Statistical data of the National Committee on Statistics of the Republic of Uzbekistan indicate a dynamic expansion of the services market and an increase in the number of business entities, which objectively increases the demand for audit support and management consulting.[7]

Despite the existence of a theoretical framework for process management and the growing interest in the development of the consulting sector, the analysis of scientific publications shows limited research focused on adapting the process model to the conditions of audit companies in Uzbekistan. Most of the studies are general in nature and do not fully take into account the

specifics of the national institutional environment, the level of digitalization, and the structure of small and medium-sized businesses.

Consequently, the development of an adapted model of process management that takes into account both international management concepts and national features of the development of the professional services market remains an urgent scientific task. Filling in this research gap determines the theoretical and practical significance of this research.

3. Methodology

The object of research is the process management system of a consulting (audit) company. The subject of the research is methods and tools for improving process management in consulting activities. The purpose of the study is to develop directions for improving the audit company's process management system to improve its efficiency and quality of services.

The hypothesis of the study is that the introduction of an improved process management system based on the integration of modern management technologies, standardization of procedures and development of personnel competencies will significantly increase the efficiency of the audit company in Uzbekistan, improve the quality of services provided and ensure sustainable development in the context of growing competition in the professional services market.

4. Analysis and results

Since consulting is a fairly common type of business, you can apply a variety of research methods, the most popular of which are: analysis and synthesis—most often used to study the theoretical foundations of management; the system approach—allows you to consider a consulting company as an integral system; the method of comparative analysis—used to compare business processes; SWOT analysis—helps to identify strengths and weaknesses of the company's current management system, as well as identify external opportunities and threats to its development; economic and statistical analysis — used to assess the performance of an audit firm and measure the impact of the process approach on its performance; content analysis—used to study regulatory documents, corporate regulations and standards governing the activities of consulting companies in Uzbekistan. [4]

The New Dictionary of the Russian Language by T. F. Yefremova [1] says: "In the most general sense, to manage means to direct the activity, to direct the work of someone (or something)." Management [2] - 1) impact on the results of the system's work to achieve the

intended goal; 2) the process of various types of impact on the system, changing (or maintaining) the output values of the system's performance indicators in a given direction (to a given degree); 3) the function of the system, focused either on maintaining its basic quality, or for the implementation of a program that ensures the achievement of certain goals. Consulting firms act as a task center, providing clients with access to specialized knowledge and expertise that may be lacking in the client's organization. [8]

This allows clients to: 1. get an objective external view of problems, 2. use best practices and advanced technologies, 3. reduce time and resources for solving complex problems, 4. minimize risks when making strategic decisions. In most cases, consulting is ordered so that someone can look at the business from an objective external point of view. The client often has the same competencies and knowledge as the consultant, but it turns out that in the hustle and bustle of their perception is limited, and it can be difficult to see the problem. Consulting firms have a variety of business models, including audit, tax consulting, management consulting, IT consulting, legal services, and other related fields. In total, according to the accepted classification, there are 84 types of consulting subject areas.

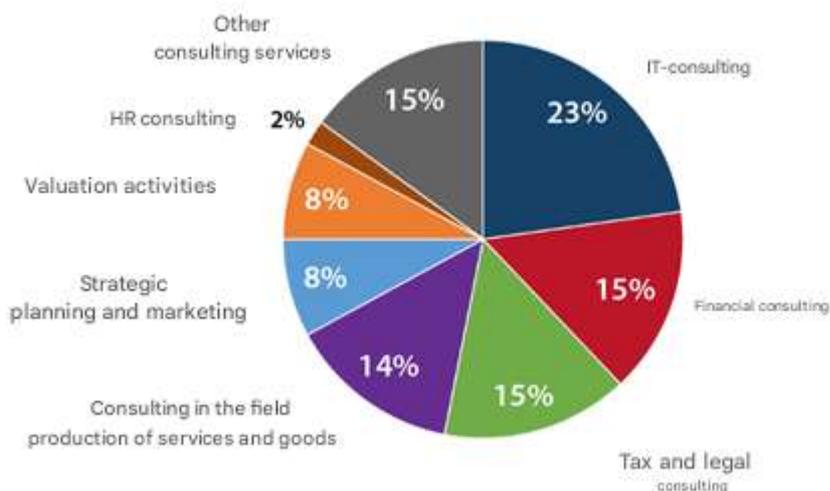


Fig.1.Distribution of revenue by consulting areas in 2023 (percentage share) (Figure 1)

[3]

Consulting is also actively developing in Uzbekistan, especially in audit companies. The development of small and medium-sized enterprises also requires quality consulting, and in other cases there is a natural selection among enterprises, which also has an impact on the global level in terms of reporting. A new World Bank report highlights that for Uzbekistan, consulting

services, including professional consulting services (consulting, legal, architectural), are key to further growth. [5]

The volume of market services is 458,196. 9 billion soums, which is 113.3% more compared to the same period last year (from January 2025 to June 2025). According to preliminary data, after statistical analysis of the informal and shadow economy survey, the volume of market services provided in January-June 2025 amounted to 458,196. 9 billion soums. The volume of market services provided during the same period in 2024 amounted to 368,809. 5 billion soums, with a growth rate of 112.9%. As of January-June 2025, the contribution of the city of Tashkent to the total volume of market services amounted to 37.9%, or 173,615. 4 billion soums. The region's growth rate reached 115.2% compared to the same period in 2024.

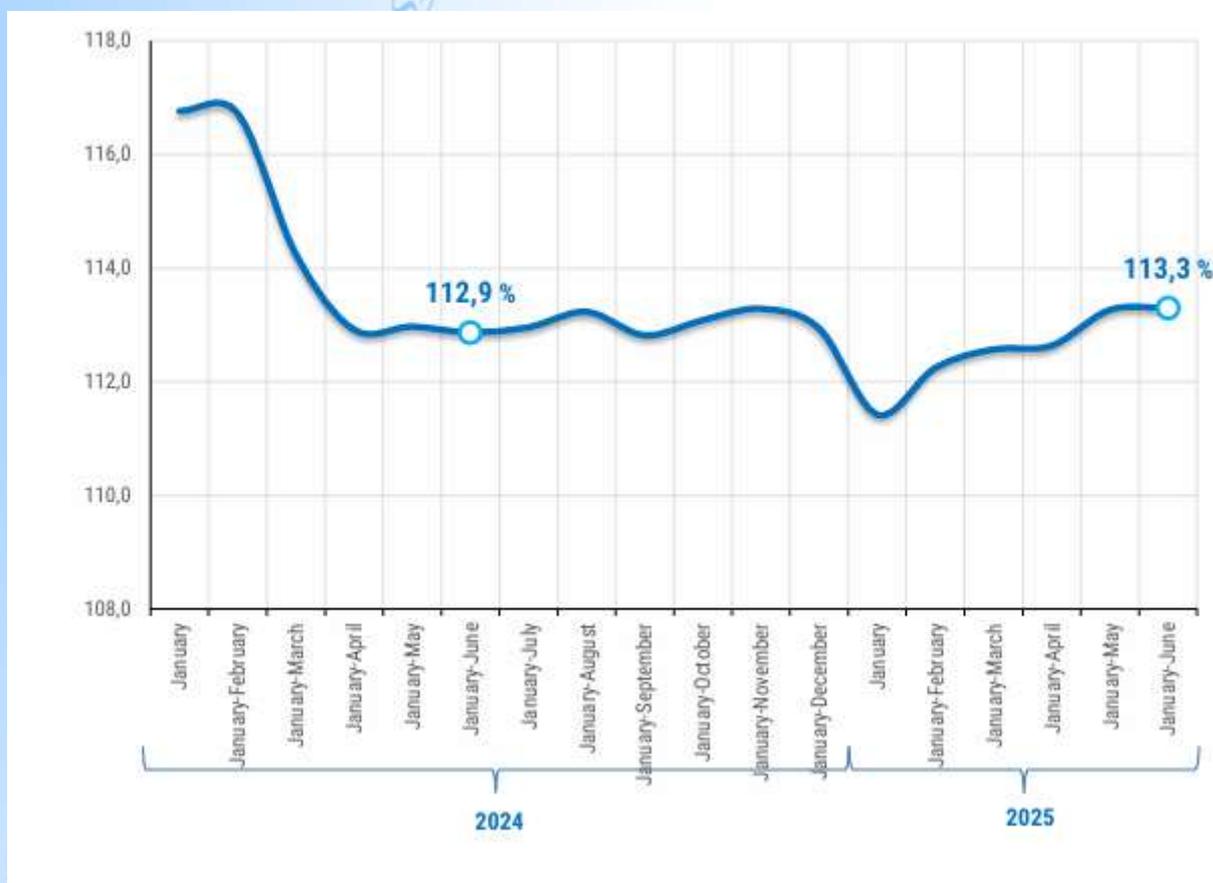


Fig.2. Dynamics of growth rates in the volume of market services provided [9]

All this, in general, means something important for a simple but important phenomenon: business in Uzbekistan is becoming more conscious and demanding. When the market for services grows by almost 90 trillion soums in the first six months, it's not just numbers — it's a sign that businesses are working more energetically, more boldly, and are realizing the

importance of professional help. And that's why consulting — especially audit, financial and management consulting—is expanding faster than ever. As the number of small and medium-sized enterprises grows in the country, they can no longer afford to work through trial and error. Making the wrong decision can cost you time, money, and sometimes the business itself. Therefore, there is a natural need for consultants: those who can help organize accounting, deal with taxes, set up processes or prepare for inspections. As of October 1, 2025, there are 460.3 thousand enterprises and organizations operating in Uzbekistan, as indicated in the data of the National Statistical Committee. Of these, 390.3 thousand, or 84.8 percent, are small businesses and microfirms.

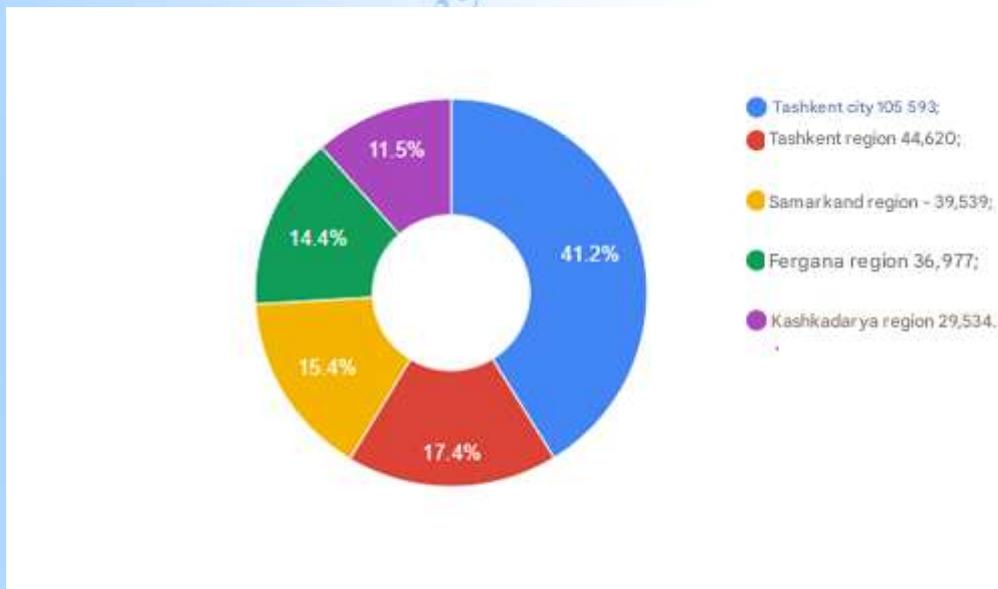


Fig.3. TOP 5 regions by the number of operating enterprises and organizations (units)
[9]

Today, we can say that there is a kind of "natural selection" among companies: those who adapt in time and rely more on experts become stronger and more stable. Those who ignore the changes gradually disappear from the market. This is quite normal for a developing economy and a growing state. The situation is also being fueled by government reforms, digitalization, and greater transparency — companies are now said to have to follow a more clearly defined set of rules to feel safe. Here, consultants are not a luxury, but a necessity: they explain new requirements, restructure work, and relieve a lot of headaches for entrepreneurs. To further support young entrepreneurs, additional measures were introduced to extend until January 1, 2028 the validity period of the social tax rate in the amount of 1 percent, provided for in subparagraph " a " of paragraph 2 of Decree No. PP-104 of the President of the Republic of

Uzbekistan dated January 27, 2022 "On additional measures for the development of the service sector".[6]

The benefit provided for in paragraph 3 of this decree will be applied to employees of business entities under the age of thirty, whose salary will be calculated at least 2.5 times higher than the minimum wage per month.

5. Conclusions

In the end, we can say with one conclusion: consulting in Uzbekistan is at a very important stage at the present time. Businesses are getting bigger and bigger, the demand for quality services is growing, and more and more entrepreneurs are realizing that they can't handle everything on their own. In order for companies not to get lost in the flow of changes — from digitalization to new rules and standards — they need people who can look at the big picture and deeply understand the situation. This is why consulting and auditing firms are becoming so important. But to remain popular and useful, they need to develop as much as their customers. They should learn to implement clear processes, be efficient and fast, build and develop their teams, and adopt modern management practices.

The study states that if a reputable consulting firm implements an effective process management system in its organization, it will gain a clear advantage. Customers will have more trust, better services will follow, and the company itself will become more stable and confident in the market. This not only contributes to business growth, but also helps in the development of the country's economy as a whole. In a nutshell, the future of the consulting industry in Uzbekistan will depend on how quickly and flexibly companies in this field can adapt to new requirements, new technologies and customer expectations. Those who do this faster than others will become market leaders and actively participate in the formation of a new, more mature and professional business environment.

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