

Intellectual approaches to improve business processes

Huseynova Khatira

The Academy of Public Administration under the
President of the Republic of Azerbaijan, Azerbaijan

Keywords

Azerbaijan, knowledge, benchmarking, management, business process

Abstract

Due to globalization and new technologies the business landscape is changing rapidly, and the market is often though and in unstable, but providing many opportunities to position. Today the engineering, reengineering, benchmarking aimed at designing business processes in order to improve the activity of the organisation, is one of the most modern tools.

In the article, discusses the problems with the introduction of innovations, faced by modern leaders, tells the story of the most modern methods of analysis and improvement of business processes. Also examines the main developments managed processes, as well as on the classification of business processes. Offers an innovative approach that will help better to understand business processes and rules to them.

1. Introduction

Azerbaijan managed to create social and economic infrastructure due to good management of oil revenues, high savings and relatively small external debt, poverty reduction, a high share of the private sector in GDP and improvement of the business environment. The strategic road map is designed to ensure macroeconomic stability, improve the structure of the economy, increase employment, ensure balanced regional development, improve the business environment and strengthen the participation of the private sector. Azerbaijan has achieved a number of goals in the achievement of the Millennium Development Goals and has joined the United Nations goals for sustainable development for 2016-2030. Azerbaijan will create a more effective national implementation mechanism for the development of a more sustainable, comprehensive and diversified economy and ensuring a balanced development of the social sphere.

The strategic road map for the national economic outlook has four main strategic objectives.

The current global environment and the volatility of oil prices enhance financial stability, rational use of natural resources and the adoption of a serious macroeconomic framework. In connection with the measures taken in the direction of economic development, the government is trying to more effectively optimize fiscal and monetary policies. Future measures to strengthen financial stability and monetary policy of Azerbaijan are described in the first task of the Strategic Roadmap on the main sectors of the national economy and economy.

In this regard, in addition to the measures taken to provide the basis for fiscal policy and adequate savings from natural resources, the issue of proper management of natural resources in Azerbaijan is also being considered. Proposed major institutions: the "golden rule" approach to the rational use of oil revenues and the fiscal structure necessary to manage public debt. In this context, further strengthening of the Medium-Term Expenditure Framework, adapting to strong budget management and effective budgeting, should be a continuation of the measures taken to ensure the efficiency of public spending and reduce oil revenues. The first task, along with a serious fiscal framework, is also linked to the monetary structure.

Effective implementation of the serious structure and objectives of monetary policy is an important part of the macroeconomic environment. In this regard, to further strengthen the economic potential, coordination of monetary policy with fiscal policy and adjustments required in monetary factors to reflect changes in the economy are needed.

Along with the interconnection of the monumental and fiscal structure for further strengthening of the economic potential, other strategic goals are related to privatization and reforms in state

institutions. This document contains provisions on improving the efficiency of the public sector in the economy as a result of the adoption of the state approach and the implementation of the program of reform of state-owned enterprises. The strategic road map aims to support existing initiatives to boost the private sector in the country, increase the efficiency of state enterprises and stimulate foreign direct investment by improving the business environment, and the steps that need to be taken in this area are described for the second purpose.

As part of efforts to achieve competitive, comprehensive and sustainable economic goals, the third goal is to accelerate the development of human capital. Initiatives that must be implemented for this purpose are justified, and measures are planned in accordance with the following areas: the contribution of education to human capital, the increase of labor productivity, to help enterprises work more efficiently.

The fourth goal is to further improve the business environment. Trends in the economy as a result of fiscal and monetary policies can ensure more efficient use of available resources in a favorable business environment. A more detailed approach to improving the business environment for supporting the economy is given in the strategic "road map" for the sectors of the national economy. (Azərbaycan Respublikasının milli iqtisadiyyat perspektivi üzrə Strateji Yol Xəritəsi / 2017)

Business Process Management Organisation Features

Business Process Management Organisation implies their continuous improvement and optimization, so the essential tools of process management are the approaches and methods to improve business processes:

- The gradual (step by step) approach to improve the processes within the existing organisational structure of management, requiring a minor investment or do not require them at all.
- The cardinal approach, leading to significant changes in the process and fundamental changes in the organisational structure of the management.

Both approaches are based on the general foundations of process theory and methodology for the management of processes (the description of the borders of processes, a description of the process itself, the establishment of control points in the processes, measurement of the process, analysis of the received information and proposals to improve). They are one, and that aim at identifying duplication of functions, bottlenecks, cost centers, the quality of individual operations, the missing information, automation and quality management.

Despite a number of common features, these approaches have significant differences:

- The first are more oriented toward the improvement of the fragmented processes within the functionally specialized management structures with the purpose of their unification and standardization within the framework of the ISO. In the end does not address the urgent problem of managing - Care of functional specialization, on the contrary, the ISO standards strengthen the basis for functional and hierarchical models of management organisations, deepening the problem of weak agility, flexibility and high bureaucracy in management. This is the overall trend of this approach from the structure to the process." In practice, therefore, improving processes within the framework of this approach boils down to the transfer of the functions of the structural subdivisions in created by the process units, that is, to a simple renaming them, not change the content and purpose.
- The second fundamental approach to improve the processes requires, above all, the study of the processes as the totality of operations with the value for the consumer. His logic is the study of the process as the object of management with the subsequent transition to a process-oriented management model, that is, from the process of the structure". In this approach is fully implemented process management, you can avoid the functional specialization in the management or significantly reduce its role through the integration of business processes.

Achieving the goal of improving business processes within the framework of the described approaches using a number of methods. The researchers highlight five main methods of achieving the goals of improving business processes of organisations:

- 1 Method for quick analysis of Decision;
- 2 Benchmarking Process;
- 3 Network Resource Provision process;
- 4 Engineering process;
- 5 Reengineering process.

2. Method for quick analysis of decision

Focuses on the specific process in the course of a one- or two-day meeting of the Group of improvement of the process to identify ways to improve this process within the next 90 days. The decision of a group of can be approved or rejected by the leadership of the Organisation.

The basis of this methodology is based on intuitive methods of decision-making: the collective expert assessment and collective generation of ideas ("brainstorming" and the method of destructive 2,585,500 evaluation). The typical improvements in the application of the FAST are reducing cost and cycle time of the process. The level of errors in case of correct decisions is reduced by 5-15% at the 3-month period.

The advantages of this method is fast reaching a decision, the minimum costs for the implementation of the methodology, orientation to the customer, which largely determines the problem or process as an object of improving and endorses the actions and decisions of the group of fast. The major shortcomings can be attributed the relative locality of the investigated process; studies are conducted without taking into account the interrelationship and interdependence with other business processes of the Organisation; measures to improve the business-process can be effective for a short time. The FAST method has a wide range of applications in different organisations, even in those who do not aspire to radical changes in the wide nature.

Benchmarking Process is based on the comparative analysis of business processes organisation with reference processes of organisations performing the same or similar processes, but it is better functioning. The benchmarking process is the identification of the causes of the better functioning of business processes of "reference" organisations and the prevention of unwanted discrepancies with them in the organisations conducting research. (Gundlach, Erich, 2001).

The main advantages of this method can be considered negligible time, relatively small expenses and efforts related to the improvement of business processes. Benchmarking allows to achieve cost savings and cycle process, while the level of errors is reduced by 20-50%.

To significant deficiencies could include transferring problems or errors that occur in the process of building and functioning of business processes of "reference" organisations, hidden external form. As a result of remains a high degree of probability of erroneous decisions when developing measures to improve business processes.

3. The Process Of Network Resource Provision

Network Resource Provision process concentrates the attention and efforts on improving the existing process. Network Resource Provision usually apply to the processes that work successfully and at the moment, but require correction in connection with the changed the requirements and needs of the customer or consumer. In the process avoids a simulation model of its current status. Network Resource Provision has quite a wide range of applications. The attractiveness of the redesign process is due to the fact that this method allows to reduce costs, reduce cycle process.

Disadvantages of the method are associated with the fact that it more focused on improving business processes or processes that provide those or other control functions. Thus, it strengthens the position of the traditional functional hierarchical structures, without altering their content.

4. The process engineering

As a method of improving the organisation is perceived today is ambiguous. The very notion of "engineering" borrowed from engineering activities (from the English engineering - design, to invent, to invent). Researchers consider the engineering processes as general concept, including the re-engineering of business processes and improve business.

In particular, it highlights the notion of "organisational engineering" and characterizes it as the design of business processes, united in a single information field. A number of researchers highlight the notion of business engineering and define it as the design of business processes and control systems for the company "from scratch".

Engineering as a method to improve the functioning organisation, in our view, it is difficult to imagine based only upon the fact that if the Organisation functioned, it is the activities, it means that whether we like it or not, there are processes and activities. How they are integrated and optimal - it is a question of another order. It can be solved through various approaches to design. Therefore, it would be true engineering process (processes) is a method of designing business processes of the newly established organisations or business processes, new types of business in existing organisations, taking into account the best practices and the principle of optimality in the management of the processes.

Depending on what model of governance will focus engineering process is functionally specialized or process management - will depend on how radical it. Nevertheless, based on the orientation of the engineering, aimed at the processes of activities (business processes), it can be attributed to one of the methods of process management.

On the other hand, if the engineering process within the organisation creates the processes of new activities, given the interrelatedness and interaction of all the processes of the Organisation, may ultimately lead to changes in the existing business system, it is desirable to the positive. If the changes to stimulate the effectiveness of the organisation, they may be aimed at improvement. From this point of view, the engineering process can be indirectly attributed to the methods of improving processes.

5. Re-Engineering of Business Processes (BPR)

For the first time the concept of "re-engineering of business processes," appeared in 1990 in the USA. Since that time, the BPR is the active interest of specialists in the field of management and information technology. Research in the field of BPR characterize the re-engineering of business processes as "revolutionary", "significant" and "radical", "radical", "fundamental" Network resource provision business processes of organisations. Semantic orientation of key words "revolutionary" and "substantial" contains the total, reflecting the significant changes to a qualitatively new level of institutional development. A radical Network resource provision means contacting directly to the roots of phenomena: not cosmetic changes and not shuffle the already existing systems, and a decisive rejection of all outdated.

The last keyword "fundamental" the content of the linked with thorough and in-depth knowledge of something. Taking a decision on the application of engineering, the head must be put on the agenda of the fundamental questions relating to the company and the nature of its activities: "Why do we do that? And why are we doing this exactly?"

Very often, such rules to the test are outdated, unreasonable and unacceptable.

Taking into account the semantic content of the keywords, you can try to clarify the concept of "re-engineering of business processes" and formulate it as a "fundamental thinking and radical Network Resource Provision of business processes to a qualitatively new level of development of the Organisation." Re-engineering of business process - the most radical of the above methods to improve business processes, with the exception of the engineering, because in the truest sense is not a method of improvement, and to a greater extent by the method of process management. BPR offers a fresh look at the essence and content of the process and completely ignores the existing process and structure of the Organisation.

The object of the reengineering of business processes, defining the activities of the Organisation.

The realization of business reengineering involves several stages:

- Development of image (vision) of the future organisation, that is, building a picture of how to develop business in order to achieve the strategic objectives;
- An analysis of the existing business involves the study of the organisation and preparation of schemes of its functioning in the present moment.
- The development of a new business - new and/or modified processes and supports their information system, selection of prototypes and testing new processes;
- The introduction of a new business.

In this connection, it should be noted that the listed steps are not consistently, and at the same time, some of them repeated.

6. Conclusion and results

In the process of analysis of the literature and publications on the issue of improving the activities of the organisations, identified common characteristics of various methods. These features reflect a number of requirements that take into account the team, improving the processes.

- Evolving processes must meet the modern requirements to the quality, service, flexibility and low cost, as well as to be comprehensible. In spite of the integration works, in a business process is the requirement of simplicity for a particular job.
- Several works are combined into one. The various earlier work (job) are integrated. The functionality of multiple specialists, served in different units that are combined in the work being done by the one man who have access to expert system with a database.
- The client process must fulfill the target process. This requirement, which should take into account when improving processes, implies that the client process must be more involved in the process than previously. This is achieved by integrating customer requirements to the result and the speed of the process.
- The role of the Supplier (Suppliers) process should be such that they are part of the target process or organisation. The changing role of the supplier process is achieved as a result of partnerships with stakeholders or to attract external suppliers for individual parts of the process.
- Created various versions of the processes. Each version of the process focuses on the one corresponding to a situation (case). For example, the draft IBM process has three versions: simple cases (data is processed by the computer, without the participation of the specialists); medium-complexity of the cases are handled by specialists using the expert system and database); Complex cases are handled by a specialist, bringing experts). The creation of various versions or variants of processes is the most important stage of improvement; it is achieved the modeling process. As soon as the simulation model shows that the process is laid down the submission, a theoretical model is realized physically for confirmation of the concept.
- The desire to reduce the number of inputs in processes aimed at simplifying the process and is one of the ways to improve monitoring and control of the process. To improve the process, you just need to clean those outputs, you need to compare with other inputs, thereby decreasing the number of audits and checks, which do not add to the necessary customer products.
- The Orientation to increase the autonomy of the processes through increased decentralization with the simultaneous deepening of the centralization of information exchange. Expanding the decentralization in improving business processes, enhance decision-making authority responsible for the process that leads to an increase in the autonomy and reduce bureaucracy in management. Such an approach allows not only the horizontal, but also vertical compression of the processes. The vertical compression occurs as a result of the fact that at the process, where the traditional works of the Executive Director should contact the senior managerial levels, decision makers, here executive director makes it on their own.
- The centralized database, which provides quick access to program managers or participants in the processes, as well as enhances the use of information technology in order to ensure the adoption of effective managerial decision making.
- The focus on the reduction of time parameters of the process. Reduction of the duration of the process - the important criterion of optimization of business processes, aimed, first and foremost, to increase the productivity and efficiency of the process.
- Removing unnecessary or long threads. Improving eliminates unnecessary. The maximum orientation to the care of the sequence of operations process with the inclusion of the parallel to the operations allows you to accelerate the process of activity.

- Eliminating gaps in business processes. This kind of orientation allows us to eliminate the "opens" and "blind" in business processes, which quite often happens in companies when the spontaneous activity.
- The involvement of the business process as soon as fewer resources. In each task, part of the business process, should be reduced as much as possible resources, for example by combining tasks in such a way as to the employee served the greatest number of them. The key task here is the release of workers and the alignment of the different functions, resulting in the entire units outside of the process.

Analysis of the differences and the definition of the general provisions of the methods to improve business processes reveals the possibilities of their application, allows, depending on the tasks to give preference to specific methods of improving and changing business processes or their combinations.

References

Azərbaycan Respublikasının milli iqtisadiyyat perspektivi üzrə Strateji Yol Xəritəsi / 2017

http://mida.gov.az/documents/Iqtisadiyyat_Yol_%20xeritesi.pdf

Gundlach, Erich (2001). Interpreting productivity growth in the new economy: Some agnostic notes, Kiel Working Paper, No. 1020, Kiel Institute for the World Economy (IfW), Kiel, p. 2-8

"Azərbaycan Respublikası regionlarının 2014-2018-ci illərdə sosial-iqtisadi inkişafı Dövlət Proqramı" / <http://www.president.az>

Портрер Майкл «Конкуренция». -М.Изд.дом «Вильямс». 2005.

X.M. Hüseynova. Regional inkişaf proqramları: nəzəri və praktik məsələlər // Monoqrafiya, Bakı 2010.