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New trends in the economic systems management in the context of modern global challenges (Vol.2)

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ANALYSIS OF THE COMPANY BUSINESS PROCESS MANAGEMENT IN THE FRAMEWORK OF MODERN MANAGEMENT CONCEPTS

The article focuses on the analysis of the company process management in the framework of modern organizational and economic concepts: the advantages, disadvantages, main differences and focuses in the opinions of scientists have been determined, the necessity of the systematization of the company process management scientific

problems has been substantiated, which consequently contributes to creating an extraordinary possibility of leveling out the negative influence of the environment factors and achieving a stable position for the company in the services market. The paper offers the system vision of the company's process management problems as a set of interconnected and interacting elements of the system. As a result of the research, the process management of the enterprise has been analyzed in the framework of modern organizational and economic concepts, namely, the process approach has been considered in the concept of strategic management, in the concept of logistics, in the concept of quality management and in the concept of project management. It has been determined that process management researchers are turning to the other sciences resources because, on the one hand, a scientific discipline needs relying on their potential to make it academically sound, and on the other hand, due to a multi-disciplinary nature of its problems. The interdisciplinary nature of the process management theory is constantly gaining volume and becoming one of its distinct competencies.

In present time economic reality, this county's companies' performance is entirely dependent on the ability to transform the key company processes into strategic initiatives aimed at maximizing customer satisfaction and the company's ability to react and forecast market changes. At the same time, the environment unpredictability and rapid dynamics constantly change the conditions under which companies operate. In view of this, the urgent task of operational response to various kinds of change arises, since the timely reaction of the company management of to changes in the environment can provide a long-term sustainable development of the company. Bringing the level of companies business process management up to meet the requirements of the internal and external environment will contribute to improving the overall level of efficiency of its business activities.

The consideration of business process management issues is many economists' subject of research. This, above all, is due to the strategic orientation at winning a dominant position in a significant market niche and maintaining it. The modern scientific works contain a complex of tools and strategies of the company process management, as evidenced by the results of scientific research by leading world-class scientists: A. Bayorn, I. Borgianni, V. Broke, M. Veske, R. Gardner, T. Davenport, E. Deming, J. O'Shawnessey, K. Shewhart, M. Hammer, N. Harrington, J. Champy.

At the same time, in spite of the wide variety of available researches

there is a certain polarization of scientists' ideas concerning the business process management problems. Also some issues of the company process management, in particular, concerning the business process management in modern organizational and economic concepts have remained unexplored.

Despite the large number of publications and diverse approaches to the problems of business process management, there is no comprehensive approach to these issues in the scientific literature. In view of this, the problems associated with the companies' process management in modern organizational and economic concepts under the competitive conditions and globalization of the economy needs further study and development. The purpose of the work is to diagnose the issues related to the business process management in modern organizational and economic concepts.

The current stage in the process management theory development is largely based not so much on achievements in management, but on borrowing ideas and methods of analysis mainly from the economic theory, computer science and other sciences, which themselves are currently undergoing transformation. The interdisciplinary nature of the process management theory is constantly gaining volume and becoming one of its distinct competencies.

The process approach in the strategic management concept. The emergence and further development of process management as an independent theory is largely determined by the evolution of the theory of strategic management. Thus, shows that "the turn of the 1980s and 1990s, the evolution of the scientific concepts of the development of firms was a stage characterized by, first, the search for sustainable competitive advantages and, secondly, a new understanding of the sources and mechanisms for their creation. The dominant paradigm was the resource paradigm of strategic management, the main idea of which is the recognition of the internal organizational capabilities and resources of the firm as the determining sources of its competitive advantages "... The rise of a new vision of the company strategies has been promoted by ... the accord of the resource concept with the general trend in the development of the management theory in the direction of ever more decisive recognition of the priority of organizational factors of firms' competitiveness". V.S. Katkalo also names the concept of organizational culture, the concept of integrated quality management, the concept of "lean manufacturing", as well as the reengineering of business processes among the concepts that "radically changed the idea

of effective management in the late 1980's in the early 1990's.

At the end of XX and beginning of the XXI century researchers form an understanding of strategic management as a "content-process-context" triad. The context is a set of circumstances in which the content and process of strategies are determined (that is, there is a search for the answer to the question "what?" and "how?"). The ratio of the organization's goal and the three aspects of strategic management are presented in Figure 1.18.

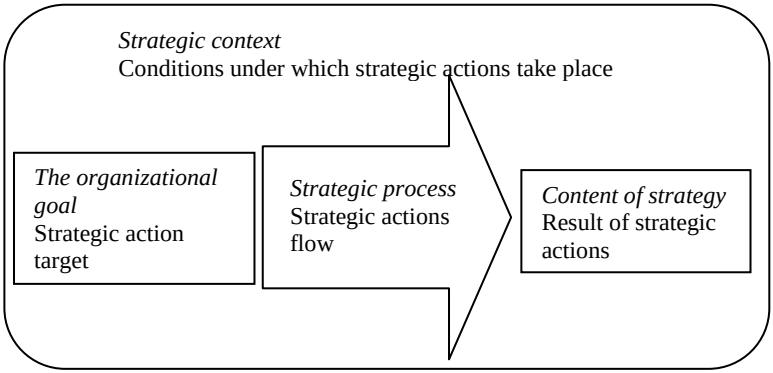

Figure 1.18 The ratio of the organization's goal and three aspects of strategic management

It should be noted that this is not about the three separate parts of the strategy, but about its three interrelated aspects, beyond which the analysis becomes fragmentary. Meanwhile, let's focus on one aspect of the strategy when taking into account the other two [1]. The presented approach demonstrates the decisive role of the process as such in management, its place in the strategic context, as well as the ability to "isolate" management processes.

The process approach in the concept of logistics. A significant contribution to the development of the methodology of process management was made by the theory of logistics, the use of principles of which laid the foundations of the methods of modeling business processes, as well as the formation of methodological tools for improving the individual business processes in the companies – Figure 1.19.

While considering the issues of interaction between the process management theory and logistics, we proceed from the theoretical

premise of the logistic approach scrutinized by V. Nikolaichuk. The basic postulates of this approach are summed up by the following ideas.

1. The concept of logistics is expressed through a definite set of actions that have a specific orientation in the management of production and economic activities.

2. This set of actions goes into action through the formation, operation and further improvement of specific logistics systems.

3. Any logistics system belongs to the sphere of economic systems and has its own structure and content.

4. The task of logistics is a comprehensive management of the end-to-end flows of material, financial and other resources.

5. Despite the complexity and unique target of the incalculable set of heterogeneous components, the logistics system can be conditionally divided into traditional areas of management: logistics, production, sales, warehousing, transport, information support, etc.

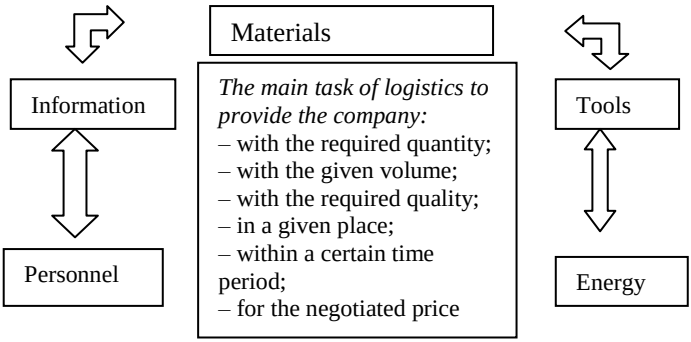

Figure 1.19 The main goals of logistics

The English word “logistics” stands for “rear and supply”. And in this county’s recent years science terminology, especially in the economic science, it is this particular meaning that is given to the term "logistics". In stresses the importance of logistics as the science of planning, control and management of transportation, storage and other material and intangible operations that occur in the process of bringing raw materials to a production enterprise, processing raw materials, materials and semi-finished products, bringing finished goods to the consumer in accordance with the interests and requirements of the latter, as well as the transfer, storage and processing of relevant information. The main objects of research in logistics are logistics costs, the

information flow, the logistics system, the logistic function, the logistics chain, logistics operations, the material flow, etc. Logistics covers a number of interrelated sections, including logistics of supply, production, marketing, transport. Within the framework of logistics systems a number of tasks are solved, including forecasting of demand for products, transport, stock status monitoring; collecting and processing orders, determining the sequence of material flow along the logistics chain. Logicism (or logisticism) is one of the areas of the philosophy of mathematics, the essence of which the attempt to identify mathematics with logic, thus transforming the latter into a purely symbolic calculation. The term "logistics" is sometimes used to refer to mathematical logic when solving economic problems and optimizing managerial functions.

Logistics is also interpreted as "the science of managing ecological, socio-economic systems by optimizing the flow processes that occur in these systems. Regarding enterprises "... such a definition involves managing the efficiency of movement and the use of limited material, energy, information, labor and financial resources, the flow of fixed assets and finished products" [2].

By its content, logistics acts in three qualitatively different forms - in the form of a section of science, in the form of economic process and as a subsystem of management.

Logistics, which has the aim of increasing the efficiency of the functioning of organizations and the economy as a whole, is concerned with managing flows, especially the ones of material resources. The subject of study is not the material resources themselves, but their movement in space and time. Here the movement means a continuous change in the state of material resources by quantity, quality and location. It is the movement as the subject of research that allowed logistics in the XX century to take up the place of a fully fledged independent science.

The process approach in the concept of quality management. Quality management in the modern world is commonly referred to in terms of Total Quality Management (TQM) and ISO 9000 Quality System (ISO 9000), which is based on the TQM methodology. Of particular importance are quality system standards, as they are approved as state standards in many countries, in particular in Ukraine, and are most supported informatively and methodically.

In accordance with the quality system standards (ISO 8402 standard), quality is a set of characteristics of an object that is relevant to

its ability to satisfy the established and foreseeable requirements of the consumer. In this case, the object of quality can be understood as the actual product (goods or services), the process of its production, and the producer (organization, system, or even a separate employee).

The quality system is a collection of organizational structure, techniques, processes and resources required for the general quality management.

Currently, the ISO Series 9000 family (series) includes:

– all international ISO standards with numbers 9000-9004, including all sections (which can be modified separately) of the ISO 9000 standard and the ISO 9004 standard;

– all international ISO standards with numbers 10001-10020, including all sections;

– ICO 8402 and, in some cases, some other standards that determine the specific activities of the supplier.

Three ICO standards from the 9000 series (ISO 9001, ISO 9002 and ICO 9003) are fundamental quality system documents, define the methodology for quality assurance, and represent three different models of functional or organizational relationships between the participants in the quality system (typically, the "supplier", "consumer", "subcontractor" or "sub-supplier"). Actually, according to these standards, the "supplier", which is the main object of quality management, is being certified.

In addition to the standards of ISO 9000, the family includes so-called support (auxiliary) standards (document and process standards) that define the general elements of ISO 9000, or vice versa, divide them into specific production and commercial situations.

The system of standards (ISO 9001-9003) has a certain interaction, that is, each subsequent standard defines a quality system for a narrower field than the previous one. The ISO 9000 and 9004 series of standards define the general requirements for the quality system and quality management model.

The ISO 9000: 2000 International Standards of Company Management maintain the model of the overall quality management system, based on the process approach and presented in Figure 1.20.

This scheme successfully illustrates the main ideas of organizing a quality management system, as well as the role of process management in it. It should be noted that a number of ideas and methods of the process management theory (in particular, the idea of the continuous improvement of processes, the Deming-Shewhart cycle) were first used

for practical application and were expressed in international standards ISO, DSTU and others in the framework of the implementation of the TQM methodology provisions [3].

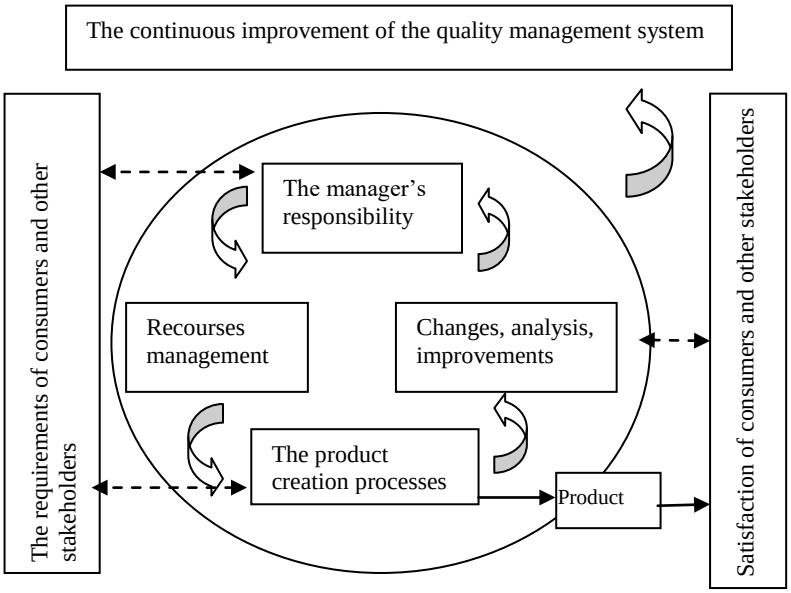

Figure 1.20 The model of the quality management system based on processes (from ISO 9000: 2000 standard)

Meanwhile, the focus of process management on increasing the efficiency of business in general leads to an understanding that its purpose and mechanism have to do with a much larger range of the company management issues, and not just the provision of quality management. This vision is confirmed by the mechanism of company process management proposed in this paper, according to which the improvement of quality is one of the results of the process management implementation.

The process approach in the project management concept. The main task of management is to ensure the successful achievement of the company's goals at a minimum cost. In order to achieve the set goals, a certain sequence of actions over the object of management must be performed. Performing these actions is a process that continues over a period of time. The actions that ensure achieving one and the same goal can be performed by different employees from different functional units.

Thus, another goal of management is to coordinate the actions of all employees involved in the process of achieving the goals of management.

The coordination of employees' actions is carried out on the basis of the following approaches: administrative, functional, process and project. The sequence of these approaches represents their ordering in terms of the increasing complexity of the tasks to be solved. At the same time, each subsequent approach does not override the previous, but is its evolution, addition.

Project management is based on the principles of a process approach and aims at achieving complex goals, such as the development, organization of production of new products. In general terms, the project management cycle can be represented as a cycle of management of the PDCA process (Deming-Shewhart cycle), with the addition of the stages of initialization and completion.

The methodology of project management is elaborated in detail in the articles [4, 5], which allows to indicate some of its fundamental features. The project-oriented management implies that the process of achieving the set goal is planned in detail before the work on it has begun and there is a responsible person (project manager) for the execution of works. The plan of project implementation involves some assumptions that may later prove to be erroneous. In this case, the plan is changed.

One of the peculiarities of the project management, which distinguishes it from the process one, is that the result of a project implementation is often expressed in the creation of some product that is a physical object. The degree this product completion serves a good reflection of the current state of the project, which reduces the need for the development of specific indicators for assessing the level of achievement of management objectives.

As a result of the research performed, the company process management has been analyzed within the framework of the modern organizational and economic concepts, namely, the process approach has been considered within the concept of strategic management, within the concept of logistics, within the concept of quality management and within the concept of project management. It has been determined that process management researchers are turning to other sciences' resources because, on the one hand, there is a need for a scientific discipline to rely on their potential to be academically sound, and on the other hand, it is the multidisciplinary nature of its problems. The interdisciplinary

nature of the process management theory is constantly gaining volume and becoming one of its distinctive competencies.

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