



REENGINEERING OF BUSINESS PROCESSES - STRATEGY OF TURNING POINTS IN CRISIS MANAGEMENT

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Summary: *For successful business operation of economic systems in the process of their life cycles of increase and development a large number of factors are incorporated which are determined in working conditions, requests of the market and time in which these operations are done.*

Globally considering, a large number of companies within the countries of EU and large hardly succeed to increase the production and export, to conquer new markets and to enter strategic partnerships with world companies or companies of own occupation.

Acceptance of the changes by the management that lead to improvement of business operations is the only condition that leads to way out due to „crisis“ business operation.

This paper shows the radical changes approach – redesigning of existing situation of business operation – Reengineering of business processes as a contemporary method of quality improvement and achievement of business excellence.

1. INTRODUCTION

Reengineering refers to achievement of total improvement in business operation of the company, i.e. making of complete increase in order to provide improvement of quality of key performances. According to the definition (1, pp.31). Reengineering represents fundamental recognition and radical redesign of production systems, business processes, work and organization by taking of dramatic improvements of business performances, in measuring critical points such as: price, quality, services, speed:

- 1) **on the level of the company** – in this case it is necessary to embrace radical and fundamental activities on the level of the whole company. This sort of changes usually occurs due to huge pressure of competition where top management is the most responsible for this changes. The procedure embraces reengineering of production and business processes, management, organization structures, awarding system, motivation, philosophy of work, organization culture etc.,
- 2) **on the level of process**- in this case the changes are directed to radical changing of main processes redesigning and estimation by management whose results should be defined, such

as : which processes should be redesigned and in which way (Business Processes Reengineering) – BPR is realised in five basic steps, such as:

- a) Settling of aim performances
- b) Engagement of beneficiaries in process modelling
- c) System and model analysis
- d) Definition of plan changes and
- e) Application of BPR plan.

Contracting management under the conditions of „crisis“ management is of great importance. If we start from the fact that business operation systems grow, develop and adopt to changes and in case the adoption is not done in adequate way, i.e. management does not take part in flexible creation and acceptance of changes the whole business process is critical situation. The crisis is not a problem. The problem is inadequate reaction to crisis which can cause non liquid and unsuccessful company.

Adequate reaction on the start, but dangerous factors business success brings to revitalization of work and putting the company to path of success.

Introduction of necessary principles of redesigning of business work within the companies, especially in the countries in transition means the realization of work method in which there are two important factor processes: benefit and risk.

The concept of BPR, in case it is applied, can have big effect in the conditions of the changes, i.e. on this basis the reconstructions is successfully done: of organization, ownership, staff, management and as technical and technological level of the company.

2. EFFECTIVE PRODUCTION SYSTEM – THE CONFCEPT OF BRP APPLICATION

The basic procedure for quality improvement in long time period of company work is implementation and improvement of the BPR process, which structures:

- Optimization of work process and material turnovers,
- Development of effective organization structure of the company suitable for adoption to new changes in environment,
- Construction of optimal information systems and information turnovers in the organization for efficient and measurable work incorporated in corresponding time cycles
- Development of effective and efficient communication system of the company on the basis of ideas, knowledge, skills etc.

According to Deming: the quality of the company is identical to the quality of production processes, work processes of all functions of the company, organization units and all working places. Structural model of necessary BRP is shown in all processes of work in order to provide high quality of products/services. The quality is conditioned to the requests of the buyers in the function of price, which is in the function of expenses of work process of all parts of organizations structure, such as terms of shipment given in the function of efficiency of organization units (just-in-time) and all in order to provide long term existence and development of the company in given conditions of work processes in surroundings (3, pp. 162).

3. FACTORS THAT STOPS ORGANIZATION WORK

Total faults within the work of business system can be caused by large number of regular and irregular factors – causes of crisis. The most important factors are:

1. Team work

In (Table 1) there is review of five of the most important factors, problems **in team** of „crisis“ management (4, pp. 1).

Table 1. Significant factors for team work

Factors	Model they make
Lack of trust	The team is not ready to show open mind one to each other when they should point out the faults
Fear of conflict	Teams that do not show trust are not able to exchange the ideas
Lack of commitment	In case there is no open discussion about the ideas there is no inclusion in the process of decision achievement
Avoiding of responsibilities	In case there is no commitment to clear plan of activities avoiding of responsibility occurred.
Lack of interest for results	Lack of interest for results causes lack of responsibility in surroundings. The needs of the departments are put above common goals of the team

2. Inefficient organization structure – implementation of organization changes

It is possible to see the problems dealing with delay with the exchanges that brought to inefficiency and poor effects of possible performances in the example of the one international company before implementation of BPR, there are consequences of delayed BPR and on time BPR of structural adoption to the market surroundings. Delayed structural adoption brought to losses and fall of efficiency.

In order to avoid this stadium – the problem of growth and development of organization structure of the company it is the basic task of management to make continual investigation of behaviour of the company, taking into account its growth and development. Continual change of structure and flexibility to the changes from surroundings is a big chance for the companies in competitive market.

Inefficient organizations structure in most of the cases, as world science and practice shows, is in close connection with organization culture, has the most importance to setting of corresponding organizations structure (6, pp. 4-5). Its choice depends on dominant system of values and believes of people that make decisions. Primary characteristics that determine organization culture are:

1. *Innovation and inclination to the risk* – the degree until employees engage for innovative changes in business process, taking into account this taking of risk.
2. *Paying attention to details* – precision, high punctuality for technical tolerances, design, improvement of achieved business process.
3. *Orientation to results* – making final results as primary activities beyond, for example techniques, documentation, production processes of changes, procedures.
4. *Orientation to employees* – moment of bringing of key decisions such as implementation of changes and possible consequences to people relations etc (7, pp.153).

As a statement it could be said that the efficiency of application of BRP concept in the companies is especially expressed for redesigning and radical changes so called „ torn“ – unsettled processes. The slogan „ the process that does not create value is needles“, is defined in scientific and theoretical approach which means that the system can be permanent in case it is continually updated and improved.

How to choose the process that should be applied i.e. radically improved?

The management role is dominant in this job, as concept of BPR is decision of the management and the management is not the result of BPR .In this case the most important are the following phases:

1. Management and employees understand why they implement this process, now
2. Modelling of existing process is done.
3. There is understanding of actual organization structure, information and technology which are used.

4. Comparison of existing processes with new goals.

Structure of the steps that management realizes is as follows:

- *Definition of set goals of BPR* – identification of basic parameters of process and IT technologies as support
- *Analysis of business processes* – to eliminate those processes that do not give good results and those that give new values of business performances, research of all processes due to determination of efficient solutions and acceptance as basic processes
- *Evaluation* – choice of activities on the basis of economic benefits
- *Planning* - it is maintained in order to embrace necessary exchanges of business parameters: expenses, price, quality, speed, terms of shipment
- *Choice of the best solution* – it is done on the basis of planned data till the effect of functionality and large analysis.
- *Realization of approved and by the decision of management and employees accepted change.*

5. CONCLUSION

On implementation of the concept of reengineering of business processes in the companies it is necessary for the management today to take into account that the buyer is the most important and that contemporary technological revolution influences the requests of the Buyer to make their needs divergent. The Buyer, today, requests to have specific functional and attractive product of low price that can fulfil all needs and requests of qualitative life, to be simple in construction, well designed to be exploited easily and to be of world quality.

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