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# BUSINESS PROCESSES ARE THE BASIS FOR EFFECTIVE ENTERPRISE MANAGEMENT

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**ABSTRACT**
***This article reveals the role and description of business processes in the effective management of an enterprise and studies the main factors affecting the effectiveness of a business process. It also substantiates the need to create a business process management system at the enterprise, which will unite all the links of its work, will allow the enterprise to correctly assess the prospects for business development and find the best solution to achieve its goals. Disputes in science do not end; in contrast, they attract special interest for the researcher. To reasonably prove your opinion to the opponent, it is necessary to specifically understand the essence of the concept of this problem. That is why, in the article, an attempt was made to reveal the various opinions of scientists who gave their interpretations in disclosing the problems that arise in the business process.***
**KEYWORDS**: ***business processes, efficiency, modeling, approach, order, management, enterprise.***

## 1. INTRODUCTION

For Uzbekistan, the term business process management (BPM) is not a new concept. Thus, meetings were held with specialists in the field of process management, and pilot projects were launched using BPM systems; however, the mechanism for the full implementation of these technologies has not yet been developed. The emergence of the international standards ISO 9000 series, although it gave a serious impetus to the development of process management methods, did not solve the problem of different interpretations of the concept of "business process".

The importance of the conceptual definition of a business process is determined by the fact that any management system can be built only on the basis of uniquely defined objects included in this system. In the process management system of an organization, the object of management is the business process.

To understand the essence of the term "business process", it is necessary to determine the prerequisites for its appearance. Initially, man created enterprises to perform complex or laborious work that he could not do alone. As the complexity of work and the number of people in organizations increased, independent departments appeared. Such an association of workers facilitated management and provided certain advantages (for example, increasing professional skills due to specialization). However, as the company grows, the relationship between the structure of the enterprise and the nature of the production process weakens. At the same time, communication between departments becomes more difficult, and each department inevitably seeks to expand its area of influence and optimize its own performance. As a result, the inconsistency of the goals and actions of departments can lead to the fact that improving the efficiency of departments does not increase the efficiency of the organization as a whole (and sometimes even reduces it). The process approach allows you to eliminate the inconsistency between goals, individual works and departments through the analysis of the organization's business processes. Thus, the focus is shifting from departmental management to business process management.
Therefore, what exactly is a business process? Let us look at some of the definitions.

According to the definition of Yu.F. Telnov, “a business process as a set of interrelated functions (operations) performed to meet the needs of customers in products and services by various departments of an enterprise and managed organizationally from one process department” [10]. The understanding by some authors of the term

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"customer" of only an external consumer also distorts the essence of the concept of "business process". The difference between the secondary outputs of the process and the primary outputs is that they are not its main goal. Secondary outputs usually serve as inputs to other processes.

According to scientists M. Hammer and J. Champi, "business processes are a set of various types of activities in which one or more types of resources are used "at the input", and at the "output" a product is created that is of value to the consumer" [8]. The essence of the definition corresponds to the functional approach, according to which business processes are a kind of mechanism that converts resources into results. At the same time, the authors do not single out the consistency and interconnectedness of processes as their defining characteristics, which contradicts the internal essence of enterprise management.

According to the definition of D. Harrington and K. S. Esseling, "business processes are a logical, sequential, interconnected set of actions, as a result of which the resources of the supplier are consumed, value is created and the result is given to the buyer" [9]. The significance of the scientific results obtained by scientists lies in the fact that they developed a hierarchy of business processes, highlighting the main business process (combining several functions within one organizational structure), subprocess (part of the main process that performs a specific role in the functioning of the organization) and event (actions performed within a subprocess).

Based on the foregoing, in our opinion, a business process is a system of consistent, purposeful and regulated activities, within which one or more types of resources are used "at the input" and as a result of this activity "at the output" a product is created that is of value to consumer.

The relevance of the topic is determined by the fact that the business process affects various levels of the social reproduction system and simultaneously creates the prerequisites for management in the digital economy, which requires the search for effective solutions for predicting various scenarios. The number of tasks that are solved at the enterprise cannot be easily calculated. One of the solutions designed to bridge the gap between ideal and real efficiency is the description and management of business processes.

The purpose of the study is to develop theoretical provisions on business processes as the basis for effective enterprise management and practical recommendations for describing business processes.

## 2. DESCRIPTION OF THE BUSINESS PROCESSES OF THE ENTERPRISE.

The description of the business processes of an enterprise is one of the ways to solve the problem of increasing efficiency. With their help, you can identify the causes of violations, predict potential threats and develop a process optimization plan. To achieve the best result, the analysis should be carried out on a regular basis and developed for each enterprise individually. Disputes in science do not end; in contrast, they attract special interest for researchers. To reasonably prove your opinion to the opponent, you need to specifically understand the essence of the concept of this problem.

Let us take a look at a diagram of what a business process looks like.

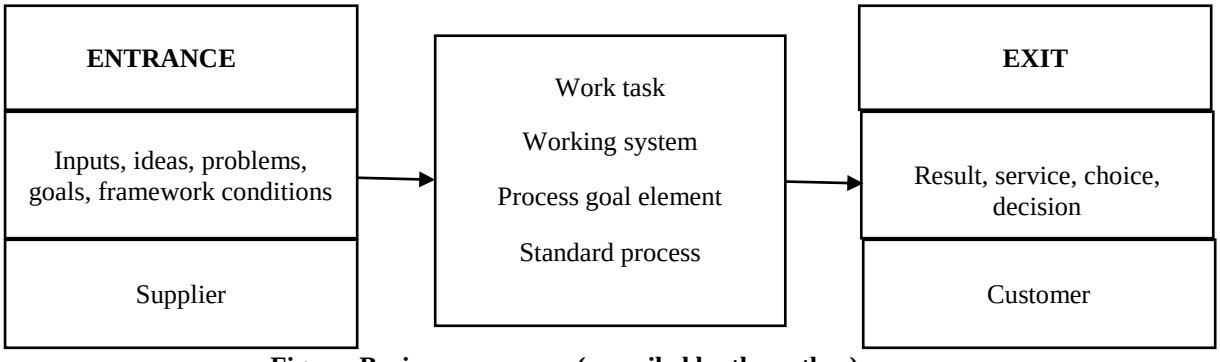


**Figure. Business processes (compiled by the author)**

Thanks to the above definition, it becomes clear that business processes exist within every enterprise, regardless of whether they are formalized or not. In an enterprise, a functional approach to management can be adopted, which considers it as a set of departments, each of which performs certain functions. It is very important to build business processes in the enterprise correctly, regulate and adhere to the norms.

A business process is essentially an instruction that answers the questions of who, what, when, where and how should be done. However, such instructions need to be invented, that is, designed and brought into a form that is understandable not only to people but also to programs.

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Each business process has the following:
- Its specific goal, subordinated to the general goal of the enterprise;
- The owner, who can manage the resources and is responsible for the execution of the process;
- Resources;
- Quality control system and error correction;
- A system of process indicators.

The business process description technology makes all operations of the enterprise transparent and understandable, allows you to analyze operations and find problems in them that lead to failures. The main thing is that business processes make it possible to understand the interaction between disparate departments: what, to whom and why they transfer or receive at each stage [5].

In Figure 1, we will look at the business process structure.

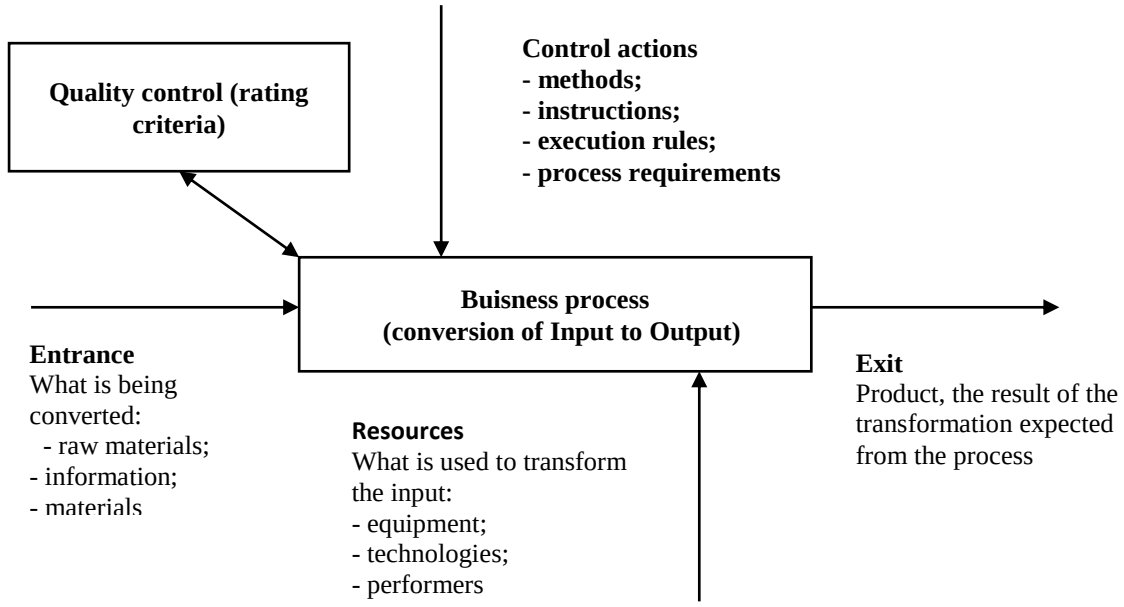


**Figure. 1. Business process structure**

The description of processes is characterized by the following parameters:

1. Name and purpose. Usually, it is the same. All participants will need to know and understand them. For example, the name is "Sale of the first batch of a new product." The goal is the same.
2. Performer or owner of the instrument. This person is responsible for drawing up a plan in detail, communicating it to employees, and leading and controlling the process of its implementation.
3. Resources necessary for its implementation, control actions (methodology, instructions, rules for implementation, requirements). Resources are used to achieve the set goals.
4. Input - these are the resources that come from outside, raw materials.
5. Output is the goods produced or services rendered. Sometimes it may not turn out what was planned, then the goal at this stage changes.

You can describe the business process:

• By text. This will be a step-by-step instruction with a detailed indication of the regulations and standards for the implementation of all actions.

• In tabular form. Subprocesses will be written in the rows of the table, and executors, inputs and outputs will be written in the columns.

• Graphical form of a block diagram. A graphic description (also called a business process map) is the most visual for perception, so it is used most often. It is convenient to do this in special constructors, but you can also draw it on paper or in a mindmap.

Consider an example in the form of an order processing process for an online store. An online store has business processes, such as order processing (see Fig. 2), delivery, restocking, and returns.

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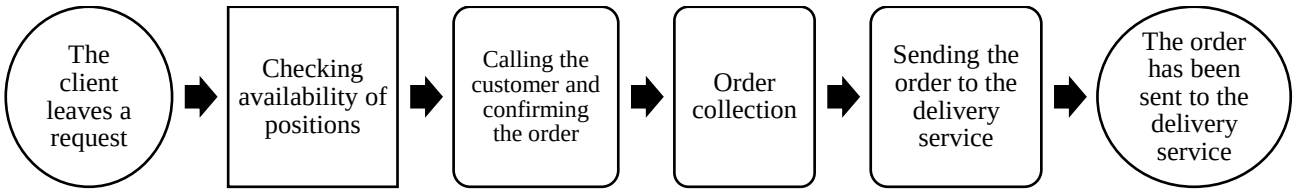


**Figure. 2. Order process**[1]

Let us consider this process step by step. Therefore, the order goes to the online store. After placing the first order, the user is entered into the Customer Base - a personal card is created for him. Typically, such a card is stored in the customer relationship management CRM system. It indicates the customer's name, address, list of ordered goods and belonging to one of the levels of the loyalty program. The first thing to do before confirming an order and submitting it for processing is to check the correctness of the data. Here you need to pay attention to the correctness of filling in the fields with the name and address. They may turn out to be inaccurate due to an autocomplete error in the fields - for example, a phone number will be pulled up to where you should have specified the address. If the payment and delivery method is not selected, then you need to contact the user and clarify this information. The presence of the ordered goods will help to predict the approximate date of delivery. If the goods are out of stock, it will take more time to collect the order. Efficiency plays an important role in order processing. The sooner you let the client know that they are working on his order, the more loyal you will be treated. A sign of a good online store is order processing on the day it is placed. In addition, there are possible problems such as incorrect contact or technical problems.

## 3. BUSINESS PROCESS DESCRIPTION MODELS (AS-IS AND TO-BE)

The purpose of building functional models is usually to identify the weakest and most vulnerable areas of the enterprise and to analyze the benefits of new business processes and the degree of change in the existing structure of the business organization.

The analysis begins with the construction of the model as is (AS-IS), that is, a model of the existing organization of work. The "as is" model can be created on the basis of the study of documentation (job descriptions, regulations on the enterprise, orders, reports), questionnaires and interviews with employees of the enterprise and other sources.

By parsing the model, you can easily detect "useless" (having no output), "unmanaged" (having no control), and "idle" functions. A finer analysis reveals redundant, redundant, or ineffective features. The model gives a holistic view of the operation of the system as a whole and the ability to understand the relationship of all components of the system. At the same time, the processing of information and the use of resources are inefficient, and important information does not reach the appropriate workplace. A sign of inefficient enterprise work is, for example, the lack of input and control feedback for important functions.

Correction of shortcomings, redirection of information and material flows leads to the creation of a model to be (TO-BE).

Only on the basis of the “how will it be” model is the data model and then the information system designed. Building a model based on the "as is" model leads to the fact that the information system automates imperfect business processes and duplicates rather than replaces the existing workflow.

The first - the "as is" model (translated from English - as is) - is shown in Figure 3. It demonstrates the current business processes that need to be studied and described.

Add a lane to Online Shop. Name it Warehouse. In the Sales Representative lane, select Pack Goods, Ship Goods and Order completed and drag them to the Warehouse lane. Your diagram should look like the one below.

[1] Compiled by author

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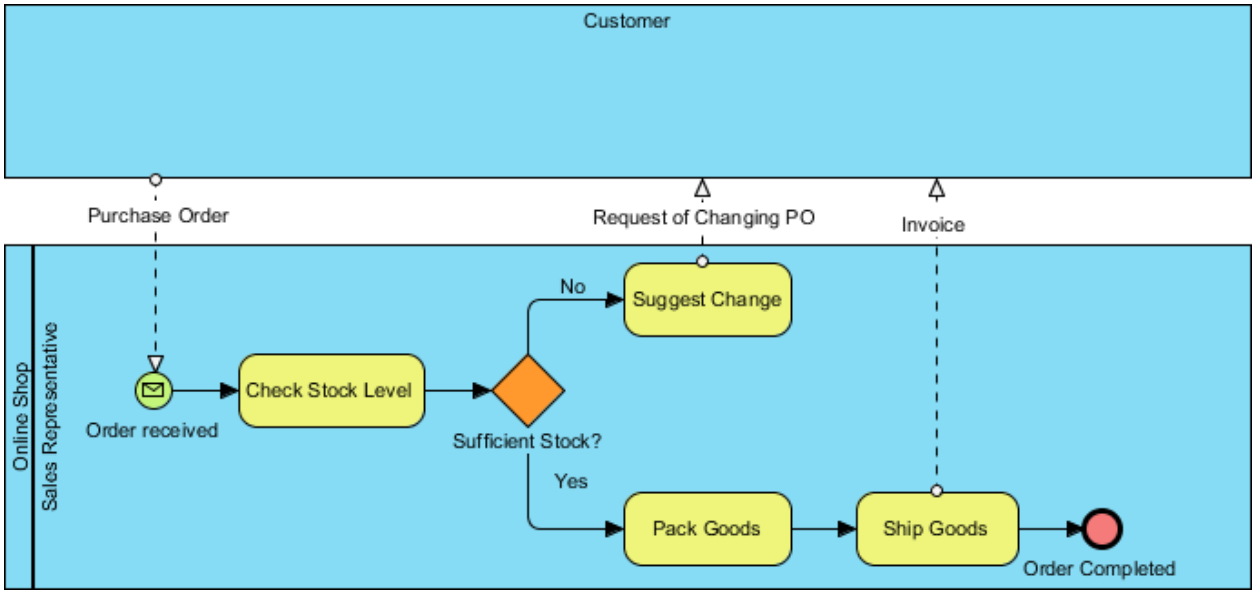
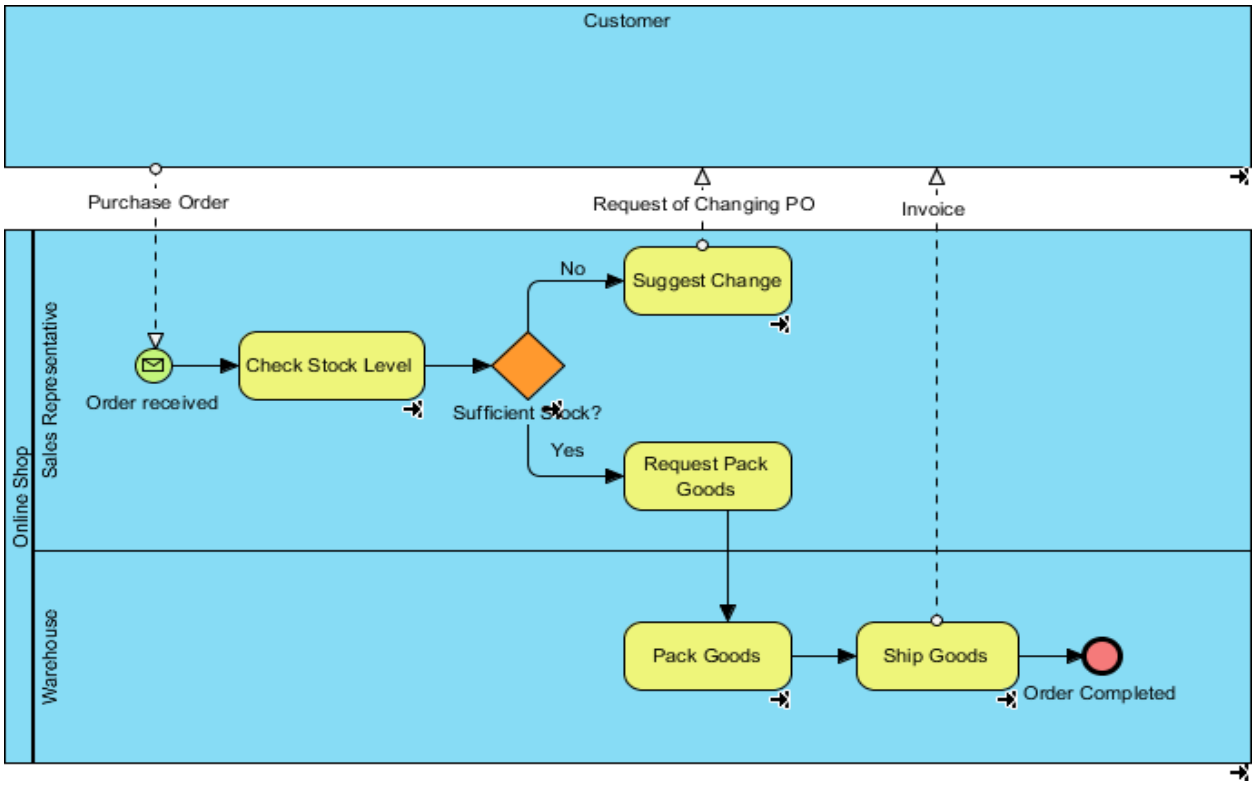



**Source:** https://www.visual-paradigm.com/

**Figure 3. AS-IS process**

The second is the "how it should be" model (translated as to be) (see Fig. 4). It is created based on the analysis of the previous model if the current business processes turn out to be inefficient and imperfect.

Name the new task Request Pack Goods. The completed to-be process diagram should look like something like this.




**Source:** https://www.visual-paradigm.com/

**Figure 4. TO-BE process**

When studying business process modeling in reengineering, all textbooks meet the two concepts indicated above. In addition, all the authors wrote that first it is necessary to draw up the AS IS notation (literal translation is "as is"), that is, how the system currently works, and only then proceed with the modernization process, that is, create the TO BE (As it should be) notation.

Simply put, you should first study how the enterprise or department works now, make a description of the business process, and only then, based on the AS IS notation, start optimization. However, all these theories are good when there is something to describe according to the “as is” scheme. In reality, the situation is often different.

The "as is" model is built as follows:
1. We assemble a team of specialists who are involved in a specific business process, including the management apparatus.
2. We collect everything necessary for entry (information about resources, capacities, quality requirements, processing time and execution of orders), and we designate the final result.
3. We formulate the stages based on the data collected during interviews with employees.
The level of detail of the "as it should be" model implies a much more detailed analysis of the processes. Therefore, it is optimal for it to use a complex methodology, for example, ARIS. It contains over a hundred models and allows you to describe any facet of the process. Thus, the use of the functional model "Functional Chart", the process model "Office Process", the information model "Information Flow Diagram" and the organizational model "Organizational Chart" gives a comprehensive description of how the process should function. In fact, this is a more detailed analysis, in which each side is described separately. The emphasis is on how it should ideally be. Such work, as a rule, is carried out by specialists who are professionally versed in the analyzed processes and have relevant analytical experience. These experts can be found within the company itself or invited from a specialized organization. Moreover, the range of services offered by consulting agencies is very wide: from the description of the model "as is" to the optimization and continuous reengineering of any business processes.

The question of building a model "as it should be" sooner or later confronts the management of any organization. The development of such an organizational structure is actually a business management system. After all, a successful transition from the “as is” model to the “as it should be” model will allow solving a number of real problems in business structuring: “staff bloat”, excess and “unpaid” personnel in some departments, shortage or “overload” of employees in others, etc.
In Uzbekistan, both models shown above exist and are used in practice. In fact, these two models are used together very often, and there is a reason for this.

Let us take the process of issuing plastic bank cards as an example. Let us say when the current company started, it had an initial card issuance process that was done in a hurry to start this process (often such processes are not documented because it takes time to write a specification, but it does not exist).
Then, time passes and the company decides to improve its process for one reason or another. Naturally, if an enterprise wants to improve its process, it must know how the old process works. This is where business analysts come in, who study the old process and write AS IS documentation. Furthermore, based on the requirements of the product owner (product owner), a new business process is created, which is described in the TO BE documentation.
The description of the main processes is carried out by a personal qualified employee. Usually, this is a consultant invited from outside. However, one specialist will not equally understand the specifics of the activities of different enterprises, so he attracts assistants.
The specialist must be able to describe processes and:
- know in detail business analysis and the basics of working with notations;
- have information about the processes within the enterprise;
- be able to optimize the work of the enterprise in accordance with the tasks set and eliminate errors (in agreement with the manager).

## 4. FACTORS AFFECTING THE EFFECTIVENESS OF THE BUSINESS PROCESS

The study of business processes must be carried out from the standpoint of the influence of various factors. An urgent task of business process management is the need to take into account as fully as possible the factors that affect the current state of the business processes of an enterprise and determine the forecast for their development in the future. The main factors affecting the effectiveness of the business process are shown in the table.

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**Table**
**Factors affecting the effectiveness of the business process [4]**

| Factors | |
|---|---|
| subjective (factors that can be changed by the enterprise in the direction necessary for it, i.e., they are manageable) | objective (factors that a market entity cannot influence, but they must be taken into account when assessing the effectiveness of a business process) |
| -level of prices for raw materials, materials, products | -seasonality of production |
| -number of employees by department | - level of competition |
| -organization structure | -inflation rate |
| -internal document flow, information system | - solvency of consumer demand |
| -ineffective communications | -changes in legislation and relations with government agencies |
| -human factors, formal and informal relationships | -change in relations with suppliers, customers, other commercial counterparties |
| - the amount of resources spent to complete the business process | - the emergence of new technologies, obsolescence of the implemented system |

The analysis of the influence of the factors presented in the table is a prerequisite for the implementation of the business processes of the enterprise since the business environment is dynamic and diverse. In addition, the intraorganizational conditions for the functioning of the enterprise are constantly changing in accordance with its influence and the investment activity of the enterprise.

Enterprise business process management includes three main methodologies.

1. Performance evaluation helps to improve them. It assumes a stable incremental improvement of existing processes. As a rule, the enterprise narrowly focuses on a certain aspect of the processes and involves the continuous repetition of actions to improve them.
2. Transformation of business processes or reengineering. A radical change in business to significantly reduce costs, improve quality, service levels, etc. Very often, this methodology is used in anti-crisis management when it is necessary to fundamentally change the business model.
3. Assessing the maturity of business process management. Allow to evaluate corporate business process management. It involves the relationship of the results of business process management with the achievement of the company's strategic goals. In this case, it is especially important to take into account the stage of development of the enterprise and the industry.

However, enterprises use applied business process modeling.

Business process modeling is performed using the following methods:

- A flow chart diagram (workflow diagram) is a graphical method of representing a process in which operations, data, process equipment, and others are depicted with special symbols. The method is used to display a logical sequence of process actions. The main advantage of the method is its flexibility. The process can be represented in many ways.
- Data Flow Diagram (data flow diagram). A data flow diagram or DFD is used to show the transfer of information (data) from one operation of a process to another. DFD describes the relationship of operations through information and data. This method is the basis of the structural analysis of processes, as it allows the process to be decomposed into logical levels. Each process can be broken down into subprocesses at a higher level of detail. The use of DFD allows you to reflect only the flow of information but not the flow of materials. A data flow diagram shows how information enters and exits a process, what actions change information, where information is stored in a process, and so on.
- Role Activity Diagram (diagram of roles). It is used to model a process in terms of individual roles, groups of roles, and the interaction of roles in a process. A role is an abstract process element that performs an organizational function. The role diagram shows the degree of "responsibility" for the process and its operations, as well as the interaction of roles.
- IDEF (Integrated Definition for Function Modeling) is a whole set of methods for describing various aspects of business processes (IDEF0, IDEF1, IDEF1X, IDEF2, IDEF3, IDEF4, IDEF5). These methods are based on the structured analysis and design technique (SADT) methodology. The IDEF0 and IDEF3 methods are most often used to model business processes.
- IDEF0 - allows you to create a model of process functions. The IDEF0 diagram shows the main process functions, inputs, outputs, control actions and devices related to the main functions. The process can be decomposed into a lower level.

- IDEF3 - this method allows you to create a "behavioral" model of the process. IDEF3 consists of two kinds of models. The first view represents the description of the workflow. The second is a description of the transition states of objects.
- Colored Petri nets - this method represents the process model in the form of a graph, where the vertices are the actions of the process, and the arcs are the events, due to which the transition of the process from one state to another is carried out. Petri nets are used to dynamically model the behavior of a process.

Unified Modeling Language (UML) is an object-oriented process modeling method. It consists of 9 different diagrams, each of which allows you to model different static or dynamic aspects of the process.

Most of these methods are implemented in software. It allows you to support business processes or analyze them. Examples of such software are various CASE process modeling tools.

The introduction of business process management is especially effective when it is necessary to minimize the influence of the human factor in the work. Primary influence in the implementation and description should be given to the main processes: problems in key processes cannot be compensated by a competitive level in auxiliary processes.

## 5. RESULTS

In practice, many enterprises often have to address requests from potential customers to help describe business processes. A description of a business process is a description of the sequence of actions of employees when performing certain actions in graphical and textual form to regulate actions in a team and analyze and optimize their sequence. Here, it is necessary to understand that a business process without a description does not exist. Only in the process of description does a business process appear; that is, it is impossible to implement one without the other. At the same time, all actions that are described in the business process must be logical, and their sequence must lead to a certain previously set goal. The very idea of such work, like any other attempt at change, can bring both great benefits to those who start these changes and unpleasant side effects.

As mentioned above, the incorrect organization of work on the description, optimization and implementation of changed business processes, as a result, can bring an enterprise that started such work either a positive result in its movement toward the future or financial, moral losses and deep disappointment to everyone who took part in it.

There are some of the most common reasons why the management (owners) of an enterprise come up with the idea that they need to describe their business processes. They can be divided into three groups.

In the first group, it can be noted that the managers of the enterprise in the initial conversations describe that recently their business has increased. In addition, then he emphasizes something in him began to happen differently than usual. As disturbing problems, they usually name approximately the same:

• The number of conflicts that can only be resolved with the involvement of owners (top managers) has increased.
• Costs have increased disproportionately to business growth, but the reason is not entirely clear.
• The number of problems associated with production and customer service has increased.
• Enterprises begin to lose out to their smaller competitors in terms of the quality and speed of bringing new products to market.

The second group can be approximately described as follows. For example, sometimes it is very difficult to understand who is responsible for what in an enterprise, what is motivated for. In this case, it is absolutely impossible to understand inside the enterprise who is to blame and what needs to be done so that this does not happen again in the future. In this case, we must raise the manageability and transparency of the business.

The third group is to improve the information system (introduce a new system), which is what should give a significant impetus to business development.

Based on the above groups, we can say that enterprises need to describe their current business processes (“as is”) to eliminate the problems identified in themselves. The need to describe business processes arises when, on the one hand, the volume of operations is already such that “manual” control cannot cope, and on the other hand, some of the operations and their sequence have already become predictable and can be described and standardized.

Implementation and management of business processes is an important part of the work of the enterprise, which seeks to set specific goals and achieve goals with minimal resources. To increase the efficiency of an enterprise, it is important to correctly describe business processes, implement them in production and continuously monitor

them. Regular optimization allows you to quickly eliminate "bottlenecks" and current difficulties that pop up in the process.

The description of business processes is a key but not the final stage of its implementation. Without subsequent analysis and control, the process will not give the expected effect. Notations and description tools are selected based on the stage of the life cycle of the enterprise, the availability of resources and readiness for serious personnel decisions. This takes into account the ability of the toolkit to automate processes.
Based on the results of the analysis of the description of business processes, the management of the enterprise will be able to make the most correct decision regarding further actions aimed at scaling and strengthening competitive advantages in the occupied business market.

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