

THE TOOLS IMPROVING THE EFFECTIVENESS OF MANAGEMENT SYSTEM OF ENTERPRISE

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ABSTRACT

Modern economy requires adequate control systems at all levels, sectors of economy. Being the subject of commodity-money relations, having wide economic independence and responsibility for the results of its operations, enterprises should form such a management system which ensures them high efficiency of operations, competitiveness and sustainable position in the market. Increasing effectiveness of management is essential for improving final results.

Productivity of work of the enterprise depends on production efficiency of business products; therefore effectiveness of system of management of the enterprise depends on the used tools. The most effective instrument and the integral component of management is information system. The more information system is focused on real business challenges and conforms to the standard of business management the higher is its effectiveness. Thus, business management on the basis of process-product approach has to be exercised by means of the product-focused information system with every task realization and developed on the basis of the standard of management of the enterprise.

Key Words: *Reengineering, Information System, Business Challenge, Business Product, Business Process, Efficiency Indicators.*

INTRODUCTION

The tools improving management and cost-effectiveness of business activity are actual for all economic subjects in the market. At the same time the criteria of management effectiveness of enterprises in conditions of market economy are decisive. The tools to achieve effectiveness depend on the specifics of industry, market conditions. The enterprise itself determines what activities need to be improved and accept the appropriate methodology.

Reengineering is a process of fundamental rethinking and reconstruction of business; it converts all of the existing structures and embodies new ways of doing work. Business processes of enterprises are main business segments which provide for creation of added value and realized products. Business processes are allocated at all segments of enterprises, business objectives are defined by the major activities of products.

Modern enterprise is often considered not only as organizational structures as well as systems of interconnected business processes to achieve certain goals. This approach ensures the integrity of information. This makes it possible to increase the speed of transmission of operational information, to maintain a high level of data accuracy, to improve the quality of data and to optimize the effectiveness of the decisions taken.

METHODOLOGY

Modeling business processes allows temporarily abstract the structure of enterprises and to focus on its core tasks. This model must comply with the formalization of processes; identify the process disadvantages affecting the effectiveness; contain varying parameters and structural characteristics of the processes.

The enterprise management standard is a documented procedure of all processes, their relationships, rules of management decision-making and quality meters and the number of these processes (technical and economic indicators). The enterprise management standard developed on the basis of the process-product approach, describes enterprises as a system of interconnected business objectives. Thus produced for internal and external use products become links that unite business goals and business processes together and reflect the attitude of the company with the external environment.

The figures of effectiveness are quantitative characteristics of the process being studied to assess the performance of individual tasks, business processes and enterprises as a whole. The effectiveness indicator system is based on the analysis of business processes and tasks to be solved by them. As a result are determined important fields for enterprises in which are appointed indicators to be regularly measured.

Identification and analysis of key business processes are rather complicated, time-consuming and nevertheless are necessary. On the basis of comprehensive analysis of the activities of one enterprise that provides transport services, we identified the main business processes and a set of indicators by which can be determined its effectiveness characteristic for enterprises of this type:

1. implementation of road transport (traffic volume, traffic coefficient; traffic capacity factor; average traffic density);
2. provision of services for maintenance (costs per ruble of production);
3. Driving School (the result of provision of services for vehicle driving training, driving school costs for provision of driving instruction);
4. logistics (the cost of the creation and storage of stocks);
5. marketing (market size, market share, profitability of the channel of sales; the group indicator of competitiveness of goods);
6. finances (profitability of production, sales, capital);
7. accounting (cost of commodity products, balance sheet profit);
8. provision of human resources (average number per month; factors of turnover, staff retirement, staff stability);
9. provision of transport (utilization of mileage vehicles);
10. energy supply (savings in depreciation charge resulting in improved time of used equipment);
11. maintenance (factors of the installed equipment, intensity of used equipment);
12. information provision (degree of automation) and others.

Management of the systems of business tasks is based on an analysis of indicators of the effectiveness of their decisions or equivalently the technical and economic characteristics of the produced business products. On the basis of these indicators is carried out planning, organization, accounting and analysis of the company. The number of indicators depends on the management and every task has at least two types of the results of effectiveness time spent and cost of resources (financial, material, labor). Business processes also have their own parameters for estimation calculated by aggregating the values of parameters within their business tasks. Thus, allocation of the solved tasks and their results, analysis of the relationship between

business tasks based on business exchange of products allow us to construct the map of the relationship between the parameters of the business tasks. Designed according this method the card is one of the elements of the enterprise management standard.

Proper implementation of this system will provide a number of advantages: increase the company's control, competitiveness and quality of products and services, reduce costs, and make a company more customer focus.

The efficiency of any system problem arises naturally due to the need to save maximum resources of the system. In market economy is a problem for all economic systems is a priority.

The aim of use of an effective management system is in achieving high commercial results, using the latest achievements in accordance with the precise implementation of the chosen strategy.

However, it should be understood that the innovation and creation of an effective management system requires significant financial investments that can afford not all enterprises. It is known that the problem of allocated funds shortage and low efficiency of recruitment and use of investments are the main problems of enterprises. It is known that financial resources are not important elements of reproduction and are included in the enterprise management system, but they are also resource for enterprises in the field of modernization and innovation.

Effective management system should solve the following issues:

- modernization of material-technical base;
- introduction of resource-saving technologies;
- Optimization of costs and resources.

Each enterprise itself solved the issue on the choice of tools to increase the efficiency of management, depending on the specifics of the activities and characteristics of the established management system. However for any manager is important to realize that the greatest efficiency of administrative activity will be reached in the event of using of different methods in combination orienting on the goals and the enterprises development strategy.

RESULTS

On the basis of process approach is designed the system of management of the enterprise which in difference of the existing systems is focused on the effective solution of business challenges and management of business products of all segments of activity of the industrial enterprises.

Process approach consists in representation of activity of any organization in the form of the interconnected system of business processes in which the leaving element of one process will be transformed to the entering element of other process. When speaking about the process approach we mean first of all that management of process and each of work entering it (activity, sub process, process of the second or the subsequent levels or function) happens to application of special methodical receptions, there is enough well developed and allowing to exclude many mistakes.

Process approach reflects communication of the main functions of management: planning - definition is more whole than the uniform direction of efforts; the organization of activity - horizontal and vertical division of labor, distribution of powers and responsibility; motivation - combination of the organizational and personal purposes of workers; control - check of achievement of the objectives and updating of plans; binding processes: communications and decision-making.

Formation of system of management on the basis of process-task of approach requires allocation of business processes and business challenges.

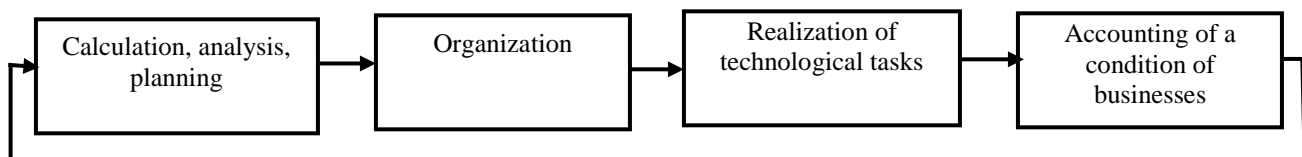
Allocation of business processes of the enterprise for the principles of completeness, determinancy, normalness, coherence, autonomy, resource intensity, efficiency, dynamism. For manufacturing enterprise the main business processes are: production preparation, main production, auxiliary production, material support, marketing, sale, finance, accounting, providing with a manpower, transport service, power providing, repair providing, social security, ensuring primary activity, information support, management.

For development of an effective enterprise of management system of business processes are presented in the form of set of elements. Solvable problems and the carried-out complexes of work can be basic elements of business processes. As the performed work can be considered as the solution of tasks in the subsequent concept of a task is used as making the business process element.

The manufacturing enterprise or the enterprise rendering any services is considered. For such enterprises there are standard business processes with rather unified scheme of realization. Generally the following business processes can be a part of concrete business process of the enterprise (multilevel numbering of business processes and their elements will be used further: the 1st level - instant No.; the 2nd level - No. of sub process (payment order); the 3rd level.

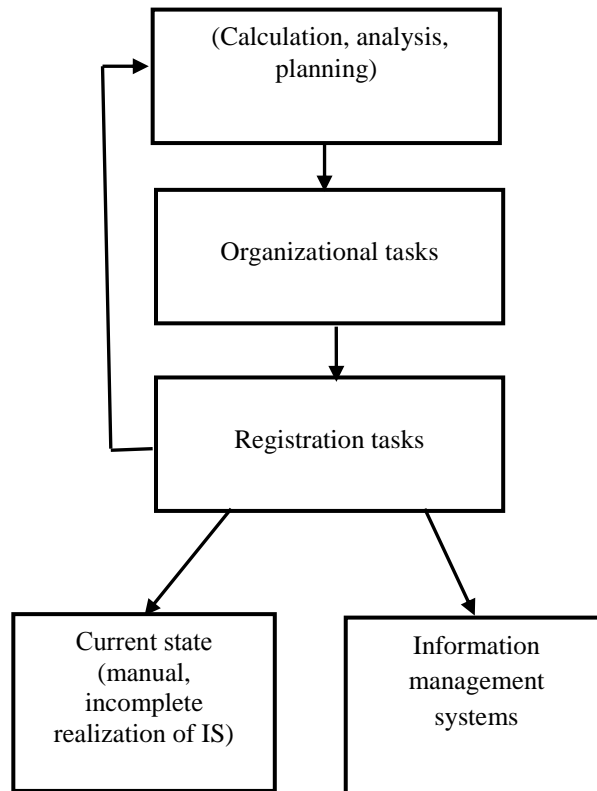
Allocation of business challenges of the enterprise on the basis of the same principles which are used for allocation of business processes. Business process includes four classes of business challenges: analytical, organizational, and technological and registration. The business challenge is the unique element of business process creating a business product (cost) and possessing eight properties (completeness, determinancy, normalness, coherence, resource intensity, efficiency, autonomy, dynamism). The business challenge is allocated owing to the fact that it is a point of emergence of expenses. Communication of business challenges of the enterprise is displayed in figure 1.

Figure 1
ORDER OF THE SOLUTION OF PROBLEMS OF BUSINESS PROCESSES



Communication of business challenges and information system of the enterprise is displayed in figure 2.

Figure 2
INTERRELATION OF TASKS AND REALIZATION OF IS



According to this document, process is defined as the set of interconnected and interacting kinds of activity transforming entrances to exits. Production which is grouped in four general categories is result of process: services, software, technical means and the processed materials. The established way of implementation of process is called procedure. Thus, today on hand business of analysts is available rich tools for the formalized description and the system analysis of business processes. The most widespread standard methodologies for modeling of activity of the organization and processes making it are: IDEF methodology, language of modeling of UML and architecture of information ARIS systems.

The method of reengineering of business processes has designed information infrastructure and information system as the tool of system of management of the industrial enterprise. According to purpose of information system of the enterprise its main objectives are defined: ensuring accurately integrated performance of functions of management of process at the enterprise and acceptance of an integrated solution on production control depending on a condition of internal and external environment.

The effectiveness of management is a complex economic category, study of which involves consideration of various factors that influence the management process. The effectiveness of enterprise management system depends on the instruments used. The most effective tool and an integral part of the management is information system. The more the

information system is focused on real business problems and meets the standard of enterprise management, the greater is its effectiveness.

CONCLUSION

Process -task approach allows you to:

1. Develop effective management of the enterprise standards, continuous management, quality management;
2. Design, develop and implement a process-tasking information system, implement standard management;
3. Design, develop information and a mathematical model of the enterprise to study the most effective scenarios.

The effectiveness of the enterprise depends on the efficiency of the production of business products, hence the effectiveness of the company's management system depends on the instruments used. The most effective tool and an integral part of management is information system. The more the information system focused on real business problems and meets the standard of enterprise management, the greater is its effectiveness. Thus, management of the enterprise on the basis of process-product approach should be carried out by means of product-oriented information system task by task implementation and developed on the basis of enterprise management standard.

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