

ENTREPRENEURSHIP, TRADE AND BUSINESS CULTURE: AN ANTI-CRISIS ASPECT

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IMPLEMENTATION OF CRISIS REENGINEERING IN ENTERPRISE: TYPICAL PROBLEMS AND DIRECTIONS OF SOLVING

Uncertainty, volatility, dynamism and unpredictability are the main characteristics of the modern economy today. Due to this, the main features of the vast majority of enterprises should be the speed and adequacy of response to any changes, adaptability and flexibility in decision-making in order to maintain their position in the market and prevent a crisis level of development and prevent bankruptcy. In modern conditions of business success and effective activity of the enterprise is directly dependent on management – competent management, which meets the requirements of place, time and development [4, p. 283].

Organization reengineering is a type of special management tools aimed at optimizing internal business processes, minimizing costs, improving the quality, efficiency and effectiveness of the organization.

The analysis of professional literature [1; 2; 3] allowed us to formulate the author's own definition of the concept of "crisis reengineering", which is understood as a complex of cardinal changes, actions and measures, which envisage the purposeful use of all available resources and means at the disposal of the enterprise for its rapid withdrawal from the crisis in order to prevent to bankruptcy and quality improvement of all financial performance of the enterprise.

Advantages and tasks of reengineering as innovative management are the following: rapid development of innovations for competitiveness and ultimately survival of enterprises in a dynamic environment [2, p. 159].

However, like any management tool, reengineering also has some drawbacks: it requires mandatory administrative and command management; the business process itself is considered during the redesign. Also, unfortunately, not all enterprises can afford to re-engineer, as there is a lack of qualified reengineering specialists, resistance to change, lack of funds, etc. [3, p. 50].

In the process of implementing reengineering, as a relatively new management tool for Ukrainian enterprises, there are some difficulties and mistakes. There are two main factors of errors and difficulties occurrence in the process of reengineering: personnel and organizational (Fig. 1).

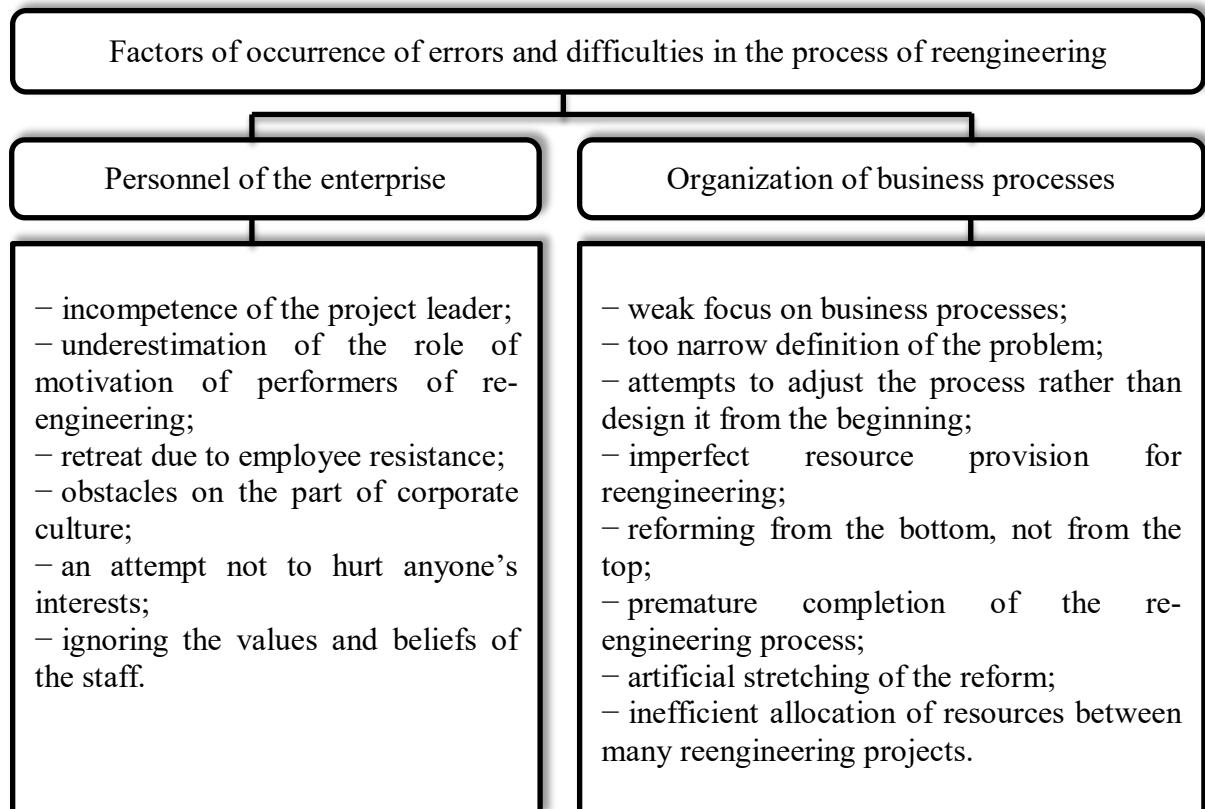


Fig. 1. Factors of difficulty in the process of reengineering

Typical mistakes when conducting reengineering are:

- the company is trying to improve the existing process instead of redesigning it, which is fundamentally wrong, because optimization and reengineering are totally opposite both in terms of time and result;
- the company does not concentrate enough efforts and resources on business processes, neglecting their importance as a basic element of reengineering;
- the company focuses only on redesigning business processes, ignoring the need for other changes, which is not enough as it covers an important but narrow direction for development;
- underestimation of the role of cultural traditions, organizational climate, persuasion of performers, which leads to inadequate assessment of staff readiness to actively participate in the changes envisaged by reengineering, because the very teamwork, the sole purpose and the idea at times increase the chances of success exponentially, and that performers are its driving force;

- underestimation of strategic prospects for change and the desire to limit ourselves to small, local success, usually involves insufficient refinement of the project or fear of losing more than the opportunity to gain;
- the company prematurely completes the reengineering process in the event of difficulties that the management believes are the most important barrier to continue and fears of further aggravation of the situation;
- the manager of the reengineering team is a manager who is poorly versed in the nature and application of the method, cannot calculate the benefits and risks, and motivate the team to take necessary action;
- a limited amount of resources is allocated for reengineering, which does not allow to make a complete transformation in the company, since limited funding, competent ideological team or even time limits the possibilities of using appropriate and effective reengineering tools at times;
- the company focuses solely on the goal, while it is necessary to ensure that it is implemented, following a clear strategic change plan headed by an experienced project manager and a motivated and strong team that is both committed to making changes and transformations for best of their company.

In order to avoid these errors during the implementation of business process reengineering at the enterprise, we propose the following directions of their solution:

- to completely and thoroughly redesign and transform all the usual processes in the enterprise of the company;
- to give maximum attention to algorithms and logic of business process construction, to clearly map the whole chain of correspondence and sequence of actions;
- not to focus solely on business processes, but consider other strategically needed changes and transformations to improve operations;
- to actively shape and develop the corporate culture of the company, minimize and prevent possible conflicts between employees, trying to exclude them altogether, carry out preparatory motivational work to stimulate the interest and enthusiasm of the staff for future positive changes that will depend solely on themselves;
- to elaborate scrupulously and carefully all project options, setting strategically ambitious goals, taking into account all resources available to the enterprise as well as opportunities when additional resources are needed;
- to be prepared for the difficulties and not to stop at the first failure, to prepare alternative solutions to the most probable problems and obstacles;
- to appoint to the position of the reengineering manager an extremely competent and trained manager who possesses not only practical tools for change implementation, but also has the appropriate leadership and

charismatic skills to convince the staff of the success of the changes and motivate them to maximize their productive work;

– to allocate to the redesign all the sufficient resources necessary for this purpose in order to successfully achieve the goals set;

– to act, not just plan, achieve goals by performing clear strategic steps for changes within the company.

So, based on the above, we can say that the basis of the ideology of successful crisis reengineering is the idea that success of the company requires smooth functioning of all its structural elements. In Ukraine, the use of reengineering can be a significant prerequisite for improving market activity and eliminating crisis phenomena.

References:

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