

WAYS OF USING REENGINEERING IN ENTERPRISES.

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Annotation

This article provides information about reengineering, its causes, how and in what areas reengineering is used, about the possibilities and advantages of its use in the service sector, commercial sector and enterprises.

Keywords

Reengineering, Improvement, Crisis reengineering, Development reengineering, Operational, Process - "classic", Process - "classic", features of reengineering, features of simple improvement.

Reengineering appeared in wide practice only a few years ago. However, his methods are adopted by the world's leading companies. The Russian economy is only just getting acquainted with the benefits of reengineering as a way to radically change intra-company management.

The founder of the concept of reengineering is considered to be M. Hammer, who, in collaboration with J. Champi, published the book "Corporate Reengineering: A Manifesto of a Revolution in Business"⁷⁰ (1993) 1 . The book actually outlines a new management philosophy, the concept of intra-company management, supported by the American experience of company reorganization and focused on a market economy of any level of development. By reengineering, the authors understand a radical revolutionary way of transforming intra-company management.

The key points of reengineering are the reorientation of activities to business processes and the way changes are implemented.

Reengineering involves a radical nature - improvement is carried out on the basis of existing processes. In reengineering, business processes are introduced from scratch.⁷¹

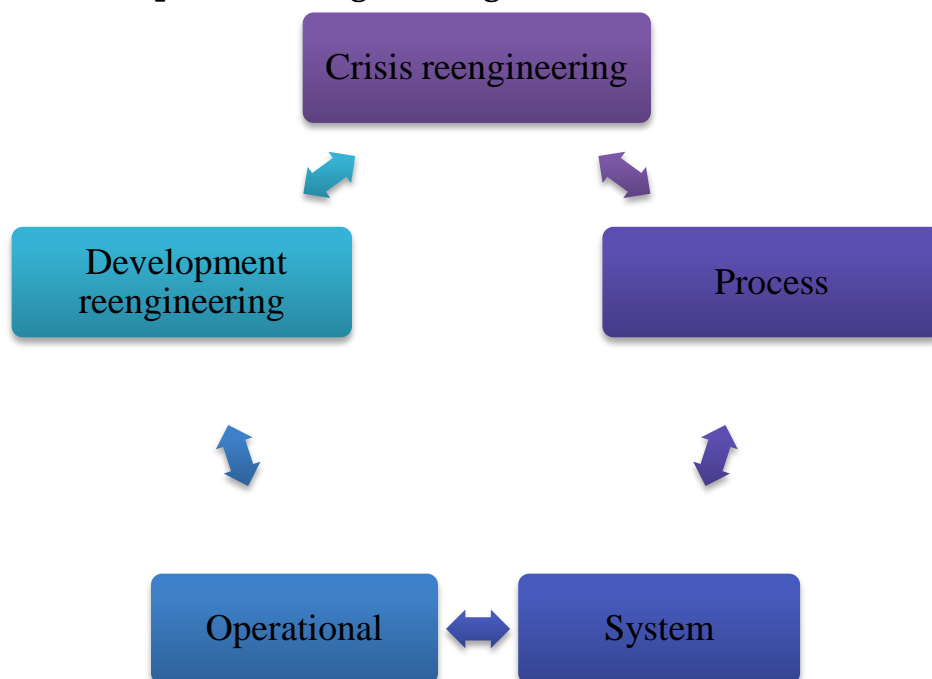
⁷⁰ <https://books.google.co.uz/books?id=mjvGTXgFl6cC&printsec=frontcover&hl=ru#v=onepage&q&f=false>

⁷¹ <https://blog.iteam.ru/osobennosti-reinzhiniringa-biznes-protsessov/>

The activity of any business entity is a process consisting of many steps that the company takes from one state to another, where the “input” is an order, and the “output” is a product or service that is of value to the consumer. The individual steps or tasks included in this process, for all their importance, do not matter to the client if the process does not work, the product is not manufactured and the service is not provided. A business process integrates highly specialized production and management operations and tasks into a single process, the result of which should not be a report to a higher management level, but a well-defined, concretely significant utility for the client. Reorientation of intra-company values from operational results to the final integrating business process is the initial and mandatory moment of reengineering.⁷²

Already mature companies are thinking about reengineering - when the processes are described and built, there comes a stage when the existing model should be used for the development of the enterprise. Reengineering is understood as a wide range of possible changes related to business processes and enterprise organization.⁷³

Methods of business process reengineering.



Reengineering is done in different ways depending on several factors. First of all, the methods differ from the situation in the enterprise:

⁷² <https://www.cfin.ru/press/management/2001-6/05.shtml>

⁷³ <https://www.elma-bpm.ru/product/bpm/reinzhiniring-biznes-processov.html>

- Crisis reengineering - a radical redesign of a large part of the process network in conditions when a company needs to radically change the current situation;

- Development reengineering - smooth changes and study of the results to keep the company in good condition, not forgetting its development.

In addition, the level of change is also important:

- Operational - changes in the area of 1-2 indicators to improve the situation in one of the business process areas;

- Process - "classic", affecting one process;

- Systemic - when the entire business system is involved in the changes, ie. the entire enterprise is measured and reengineered.

As a result of reengineering, the work of a situational manager (situational team) becomes more multidimensional and meaningful, unnecessary operations are eliminated, and a significant part of operations that do not create value are reduced. Working within the process team aims not at the approval of the authorities, but at the satisfaction of customer requests. Under these conditions, individual development means not moving up the steps of the hierarchical ladder, but increasing one's own potential, increasing qualifications, gaining experience, expanding the contribution to positive economic results and, as a result, higher remuneration.

Reengineering is divided into four stages:

- Formation of the desired image of the organization. At the stage under consideration, priorities and directions of development are determined to achieve the goals set.

- Analysis of current business processes. The analysis of the state of the company is carried out, the scheme of activity is determined.

- Creation of new business processes. Business processes are formed and tested.

- Implementation of new business processes. Comprehensive implementation is underway.⁷⁴

Reengineering can also be carried out in business entities where the reorientation of activities to business processes that are significant to the client has already been implemented, insofar as any enterprise needs continuous improvement from the moment of its inception - business engineering. In this case,

⁷⁴ <https://blog.iteam.ru/osobennosti-reinzhiniringa-biznes-protsessov/>

reengineering means creating new business processes or redesigning existing ones as a result of finding and implementing more efficient business processes.⁷⁵

It is known that customer service in service enterprises is personal: the service process often takes place directly between the client and the master. In this regard, the problem of accounting for revenue is extremely relevant. For the purposes of official accounting and taxation, this problem is partly solved by means of cash registers and forms of strict reporting and established severe sanctions for ignoring them.

Through reengineering, it is possible to establish a really working mechanism of financial control and discipline in the interests of the owner of a salon, atelier, studio, hairdresser, etc. This problem is relevant at the present time and becomes even more urgent in connection with the use of "imputed income", in which the taxpayer pays taxes a priori on potential income, there is no need for cash registers, etc. control tools. An effective internal administrative and financial mechanism will become the only lever for accounting and controlling the flow of funds.

Thus, the service industry is a vast field of activity in terms of intra-company changes and can be a very interesting testing ground for reengineering:

1. firstly, in this area there are numerous management problems, in particular, the creation of information support for management, which cannot be solved on the previous organizational, technical and technological basis;
2. secondly, at the enterprises of the service sector there is no need for exorbitant investments, reengineering can be implemented here with small funds and on the basis of existing domestic developments;
3. thirdly, the division of labor in this area has historically been limited by the nature of the service and the specific focus on the client; consequently, the redesign of economic activity for a customer-oriented business process in the conditions of the service sector is not accompanied by a radical break in the management structure and consciousness of managers;
4. fourthly, in the conditions of networkization of economic structures in the service sector, in the process of reengineering, it will be necessary to solve a number of organizational problems associated with distributed databases and the need to consolidate information flows, but these problems can also be solved by simple technical means;
5. fifthly, as a result of the reforms carried out on denationalization and demonopolization in this area, there are no cumbersome pyramidal management

⁷⁵ <https://www.cfin.ru/press/management/2001-6/05.shtml>

structures with a powerful apparatus, which, as a result of reengineering, is threatened with a significant reduction; consequently, reengineering in the service sector can be implemented with less social upheaval and will not be accompanied by the release of a critical mass of the employed population; the painlessness of reengineering can be considered as an important factor in the success of such on-farm changes, which is very important due to disappointing world statistics;

6. sixth, not being large-scale in each specific economic link, reengineering in the service sector as a whole can give very tangible results in economic, financial, statistical, social, accounting and analytical plans.

In conclusion, it can be said that according to the research results, the following differences between reengineering and simple improvement were determined.

Features of reengineering	Features of simple improvement
Reengineering involves a radical nature	Simple improvement involves gradual improvement in performance.
In reengineering, business processes are introduced from scratch.	Simple improvements are implemented over a short period, full-fledged changes take a long time.
In reengineering, new processes are introduced from top to bottom	With improvement, the opposite is true
Improvements are narrow in scope, reengineering broad	Simple improvements carry moderate risk.
Reengineering is characterized by increased risks.	Improvement is carried out on the basis of existing processes

Based on the above, we consider it appropriate to use reengineering for the following cases.

- Organizations that are losing the competition. The company may lose its competitiveness due to relatively high product prices and poor quality. If the firm does nothing in this case, it will be ruined.

- An organization that is experiencing problems. For example, a new competitor has appeared on the market, the target audience has changed, the economic context has changed.

- A company that does not have any difficulties that wants to capture even more market share. As a rule, these are leading firms pursuing an aggressive marketing policy.

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