Providing Economic Safety of Business Processes in the Conditions of Implementing the Concept of Stable Development

Vera Nikolaevna Batova and Aleksandr Jur'evich Pavlov
Penza State Technological University, Penza, Russia

Abstract: The methods of modeling and analysis of business processes are at the present moment the most important tools of increasing the effectiveness of business operation. Any business process is subject to the impact of factors of external and internal environment that generate threats to its functioning, therefore, any entrepreneur needs not only to be able to forecast the impact of these threats beforehand, but also adequately evaluate and minimize their impact on the economical safety of an economic entity. The article has performed an evaluation of the importance of providing economic safety of business processes to achieve stable development of companies. The authors have developed an organizational model of a business process that highlighted the elements of economic safety and stages of determining threats of business stability.

Key words: Business processes • Stability • Development • Economic safety • Threats to economic safety • Corporate resources • Modeling

INTRODUCTION

The dynamic growth of modern industrial production, expansion of its scale, variety, complexity and integrity of the problems that are being solved of choosing policies and directions of the development of entrepreneurial activity, choosing ranges and volumes of competitive and in-demand products led to the fact that rational performance of functions by the management of an economic entity became an exclusively creative process. Many problems that a manager needs to solve while administrating an entrepreneurial structure become globalized [1]. The relevance of this problem is also growing due to the process of economic globalization. The expenses spent on implementing one or the other administrative decision can reach high enough amounts and the risk of failure becomes more palpable. When making decisions it is necessary to take into account more and more inter-connected circumstances and there is less and less time to develop and make an intelligent managerial decision.

At the same time, successful functioning of any production system can be implemented when there are certain external and internal factors and conditions, providing, in total, favorable opportunities to achieve the goals that have been put for a company, i.e. if the environment adequate to these goals has been formed [2].

In modern practice it is common to use the term «business process» when modeling administrative and industrial activity to denote modeled sites. This modeling and analysis of business processes are, at the present moment, some of the most important tools of increasing the economic safety of entrepreneurial structures and, therefore, the effectiveness of business functioning as a whole. The process approach has business reorganization as its final goal and, as a result, it is geared towards maximizing profits, reducing expenses related to production and sales of products and services, improving the quality of products made, optimal use of operating capital and many other features. One way of another, entrepreneurial activity is related with the development and implementation of new systems of business management on the whole, as well as of its separate elements. Usually entrepreneurs expect a significant improvement of their activity from implementing new systems of management. However, the practical result of implementing these types of systems into managerial
systems is quite hard to measure. Large financial investments into management systems and the absence of a visible result lead to the formation of a negative attitude, as well as to discrediting the philosophy of business process management on the whole [3].

The Main Part: Modern economic literature quite often mentions different definitions of the «business process» term. Overall, a business process represents a stable targeted unity of inter-connected types of activity that uses a certain technology to modify inputs and outputs that are valuable for the consumer [3]. With that it is well known that the input of a business process is a set of corporate resources (financial, labor, material and technical, informational and so on), necessary to fulfill the business process and the output is the final result (product, service) of fulfilling the business process.

Figure 1 shows an organizational model of a business process that reflects the elements of the external and the internal environment and allowing to evaluate whether the company has the internal strength and resources to implement the existing opportunities and resist the threats from the market environment.

The formation of a business process algorithm is a complex task that requires a certain set of methods and means to solve it. At the same time, a business process needs to be performed taking into account the provision of economic safety for the business. Providing economic safety is the «maintaining» business process which means a set of arrangements directed towards providing continuous functioning of «operating» business processes, i.e. those that directly bring in profit and make up the business itself [4].

As Russian practice shows, entrepreneurs often do not consider it important to set the appropriate level of safety to their business. It is possible to understand
entrepreneurs because creating their own service of economic safety is a complicated, expensive and saving process that does not bring in profit and that is why a lot of people do not find the necessity of it to be evident [5].

The confirmation of a great relevance of the problem of creating a system of providing economic safety of Russian companies can also be the fact that at the present moment many large companies functioning on the territory of the Russian Federation have created special subdivisions in their structure, whose goal is to provide their economic safety. However, these newly created services usually do not have a developed and effectively functioning system of evaluation and provision of economic safety to enterprises, a theoretical foundation of their work, which significantly reduces the effectiveness of their functioning and explains the existing now great demand for scientific developments in the field of providing economic safety to companies from many large companies working in different areas of the economy of Russia.

The notion of «economic safety of a company» is inseparable from such notions as «stability», «development», «vulnerability» and «governance».

The connection of economic safety with the notions of «development» and «stability» is explained in the following way.

Development is one of the components of economic safety of the system. If the system is not developing, its ability to survive is abruptly reducing and so does its resistance and adaptability to internal and external conditions. Stability and safety are the most important characteristics of an enterprise as an integrated system. They should not be contrasted to each other; each of them in its own way characterizes the state of the enterprise. Stability reflects the durability and reliability of its elements, vertical, horizontal and other connections inside the system, the ability to withstand internal and external «pressure» [6].

Vulnerability of an enterprise is an indicator that characterizes the degree of its susceptibility to external and internal dangers, i.e. the degree of its exposure. In the general view, «Vulnerability is a property of any material object of nature, equipment or community to lose the ability to fulfill natural or prescribed functions as a result of negative impact of dangers of certain origin and intensity» [6].

At the same time, the achievement of stable development is only possible based on fulfilling the principles of enterprise management that determine the complex characteristic of the ability of a company to react to targeted impact [7].

As world experience shows, proving economic safety of a company is the guarantee of its financial independence, one of the most important conditions of stability and effective economic activity.

Economic safety itself has quite complex internal structure. The analysis of real processes and understanding of the richest domestic and foreign experience of solving this problem allow to distinguish its three most important elements:

- Economic independence that in modern conditions means the ability of a company to provide itself with the necessary resources, as well as providing for such production, effectiveness and quality of products that ensures its competitiveness and allows to equally participate in the market environment;
- Stability and steadiness of functioning of the enterprises' activity that supposes protection from the impact of negative factors of external and internal environments, creating reliable conditions and guarantees for the work of their services and subdivisions, repression of factors able to destabilize the situation;
- An ability for self-development and progress which is especially important in the modern and dynamically developing world. Creating the favorable climate for investments and innovations, constant production modernization, improving the professional, educational and common cultural level of workers become the necessary and mandatory conditions of stability and self-preservation.

The characteristic of the state of one and the same system as economically safe depends on the desired future: if, for example, the enterprise is striving only to survive in the competitive struggle, then the reduction of the volumes of sales can be considered quite safe; if its goal is to expand its niche in the market, then this drop represents a clear threat and the current state of the company does not at all have the safety property.
Only when it is protected, the enterprise can move on to attack its competitors, increasing the competitive advantage and stability of its development. Maximization of profit that has been considered for a long time to be the main reference point of the activity of any business becomes possible only if their needs for living are satisfied. Safety is the limiting condition of the switch to expanded production, capturing and constructing new market niches, entering external markets, a marketing fight with competitors, etc.

The direct danger to an enterprise's interests are economic threats that violate the normal flow of public reproduction.

The threat of economic safety of business can be defined as a certain harm, integral indicator of which characterizes the degree of decline of the economic potential for a certain interval of time. A threat is defined as an aggregate of conditions, processes, factors that prevent the implementation of economic interests or create a danger for them and economic activity entities [8].

Studying the processes and tendencies of conception, aggravation and attenuation of threats allows to create a methodological foundation of provision and stable development of business in dynamically changing external environment, correcting its positions among competitors. In order to systemically protect interests, business processes and transactions of an enterprise, it is necessary to clearly monitor and study the threats that are generated by the external and internal environment of the enterprise in order to prevent their negative impact on the operations of business processes and if that is not possible-their minimization [9].

In defining the characteristics of threats to stability of the position of an organization in the market, it is necessary to start from the opportunity, accessibility, qualitative evaluation and quantitative idea about the harm and damage inflicted on business. In a very general view, the methods of evaluating the threats of stability of the position can include the following stages:

- Determining the importance of threats, vulnerability and value of business resources;
- Evaluating the possible time of threat materialization;
- Determining the cost characteristics of threats and arrangements of resistance;
- Developing a system of indicators of the evaluation of impact of threats on the position of the organization;

When That Is Not Possible:

- Point-based evaluation of threats and vulnerability levels;
- Point evaluation of the negative impact of threats [10].

The analysis of the results of evaluation of the stages shown above allows to develop a set of measures to provide economic safety of business processes of enterprises and achieve stable development.

CONCLUSIONS

Taking into account the noted circumstance, it is possible to state that the natural order of steps to provide economic safety (identification of a threat, implementation of the planned measures) supposes having a preliminary determination of the object of possible internal and external threats within the business process being performed in order to achieve the desired state of the industrial system that is adequate to the established understanding of the stable development.

REFERENCES


