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Features, characteristics and classification of business processes trading enterprises

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Abstract. *The purpose of the research.* The main purpose of the article is to improve the conceptual apparatus and classification of business processes of trading enterprises in order to obtain the greatest efficiency from the use of a process approach in the development of organizational architecture of trading enterprises. *Methodology.* To improve the conceptual apparatus and the classification of business processes of trading enterprises, such methods are used: generalization, analysis and synthesis. *Results.* As a result of the study, the actual definition of the category "Business Process", which takes into account the modern features and essence of the business process itself. Also, as a result of the study, a summarized characteristic of basic, auxiliary and business management processes. *Practical meaning.* The practical significance of the study consists in the applied nature of the proposed conceptual apparatus and the classification of business processes of trading enterprises that can be used in the process of the process approach of organizational modeling of a commercial enterprise, which is particularly relevant for the long-term success of the enterprise, and also allows the company to create and develop competitive products in conditions of a changing environment. *Prospects for further research.* The further researches of the author will be devoted to this. Another direction of the following developments will be the use of a process approach in the development of organizational architectures of trading enterprises.

Keywords: business process, classification, trading enterprise, characteristic, feature.

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Особливості, характеристика та класифікація бізнес-процесів торговельних підприємств

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Анотація. *Мета дослідження.* Головною метою статті є вдосконалення понятійного апарату та класифікації бізнес-процесів торговельних підприємств задля отримання найбільшої ефективності від використання процесного підходу в розвитку організаційної архітектури торговельних підприємств. *Методологія.* Для вдосконалення понятійного апарату та класифікації бізнес-процесів торговельних підприємств використано такі методи: узагальнення, аналізу та синтезу. *Результати.* В результаті проведеного дослідження розроблено власне визначення категорії «бізнес-процес», що враховує сучасні особливості та сутність самого бізнес-процесу. Також, в результаті проведеного дослідження, узагальнено характеристику основних, допоміжних та бізнес-процесів управління. *Практичне значення* дослідження полягає у прикладному характері запропонованого понятійного апарату та класифікації бізнес-процесів торговельних підприємств, які можуть бути використані в процесі процесного підходу організаційного моделювання архітектури торговельного підприємства, що особливо актуально для довгострокового успіху підприємства, а також дозволяє підприємству створювати та розвивати конкурентні продукти в умовах мінливого середовища. *Перспективами подальших досліджень* стане застосування процесного підходу в розвитку організаційної архітектури торговельних підприємств.

Ключові слова: бізнес-процес, класифікація, торговельне підприємство, характеристика, особливість.

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1. Introduction.

Implementation of trading enterprises and principles of the process approach of organizational modelling of architecture based on business processes allows it to significantly improve the quality of customer service, and this, accordingly, will contribute to the high level of efficiency of its activities and the necessary competitive advantage, because well-built and structured business processes of trading. Enterprises contribute to reducing costs, improving the quality of execution of works, improving the quality of enterprise management.

Since the trading enterprise is a complex system, its activity consists of a large number of business processes, each of which is a

sequence of actions and decisions aimed at achieving a certain goal, which requires a detailed elaboration of the conceptual apparatus and the classification of business processes of trading enterprises in order to obtain their greatest efficiency.

2. Literature review.

The basic concept of business processes is developed by such foreign scientists as B. Andersen (2007), N. Novoselova (2009), A. Shir (2000), L. Kaplow (2010), A. Varzhanov, E. Torosyan, L. Szhava (2016), O. Vinogradova (2012), O. Semenova and E. Shubnikov (2000), etc. Among domestic researchers, it is worth distinguishing such authors L. Chernobay and O. Duma (2013), V. Rudnitsky and O. Rudnitsky (2017).

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3. Methodology.

In the study of the conceptual apparatus and classification of business processes of trading enterprises, such methods are used: generalization and analysis in the process of researching features and essence of the business process, definitions of domestic and foreign scholars, and synthesis in the process of developing its own definition and classification of business processes.

4. Research objectives.

The main purpose of the study is to improve the conceptual apparatus and classification of business processes of trading enterprises in order to obtain the greatest efficiency of the use of a process approach in the development of organizational architecture of trading enterprises.

5. Results and discussions.

The management of the process organization is carried out through business processes. With not goals, managers are working on improving business processes instead of blaming employees or heroically rescue the situation, forming and distributing tasks. This approach allows the company to constantly develop, successful experience accumulated in business processes and significantly decreases the dependence of the company from the human factor. The combustion of internal business processes of the enterprise allows you to bind together processes for supplying, logistics, production, sales, etc. When building a process management system, the main emphasis is on the mechanisms of interaction within the framework of the business process both between the structural subdivisions within the organization and with external customers.

Description of business processes is a universal language of programming organizational architecture of the enterprise. Thus, in process logic, the business process is decisive for the formation of the organizational structure of the enterprise and the system of balanced indicators.

When business processes define the structure of the company – it automatically puts employees in the chain. The employee turns from a functional cell in the

organizational structure to the business process owner in the chain of value creation. The key objective of the employee is to create value for subsequent processes, which, in turn, are related to the main product of the company. This logic also falls into the system of assessment of employees who stimulates them to cooperate. Good work is determined by internal clients – the owners of the following processes, not a leader. This makes an assessment of employees objective because the results appreciate the one for whom the value is created.

According to the ISO 9001 business process, the business process is a “set of interconnected and interacting activities that turn the inputs into exits.” Given the significant value of this category, even in spite of the generally accepted standards, it does not have a single universal definition, and among the main characteristics to which it is resorted to its determination, the following are used: sequence; action; totality; activity; result; value; consumer and others.

Using these characteristics, as well as taking into account the features and essence of the business process itself, the definition of a number of domestic and foreign scholars (B. Andersen, L. Chernobay, O. Duma and others) We concluded that the business process is a set of certain actions in the The boundaries of the appropriate organizational structure, which forms a general business system of the enterprise to achieve priority defined goals (*Andersen, 2007, Chernobay and Duma, 2013*).

A similar situation takes place with the classification of business processes, resulting in a large number of different classifications of business processes. Thus, L. Chernobay and O. Duma in their study "Business processes of the enterprise: general characteristics and economic essence" allocated 21 key signs of classification of business processes, according to which scientists have been identified 70 types of business processes with the provision of appropriate characteristics (*Chernobay and Duma, 2013*). At the same time, in our opinion, this detailed and global detail of business processes is really interesting from a scientific

point of view, at the same time, it may have a rather limited practical application.

One of the most famous classifications (APQC – American Productivity and Quality Center), which became the structure of the company's processes (APQC's Process Classification Framework (PCF)), as well as in the classification of M. Porter, divides processes to operating processes (Operating Processes) and Management and Support Services Management Services.

In the 21st century, the authors began to allocate additional groups of processes. Thus, as a result of the implementation of the Norwegian Top project (Productivity Programs of the Technology Industry) under the management of NTNU (NORWEGIAN University of Science and Technology) and SINTEF, the next approach to the classification of business processes was proposed. Processes are divided into primary and supportive (auxiliary) in accordance with Porter's theory of the chain of value creation, and part of support processes has been allocated to a separate group – development processes. More systematically, this opinion was conducted in the classification

approved by the European Union Commission ENAPS (European Network of Advanced Performance Studies). In accordance with this classification, in the first level, all processes are subdivided into business processes (basic) and secondary processes (auxiliary). Business processes include product development, research requirements of consumers, execution of orders for products, customer service – in other words, all the processes of value creation chain. Secondary processes are divided into two subgroups: processes of support and processes of promising development.

According to the results of the research and generalization of various classifications of business processes that have been developed and offered to both domestic and foreign scholars, we will stop on such basic categories, which makes classification more practical and acceptable for use:

- Basic business processes are product-oriented production or provision of services that have value for the client, and that provide income for enterprise. In most cases, the list of major business processes represents a mirror image of business directions (*Table 1*);

Table 1. Characteristics of basic, auxiliary and business management processes

DEFINITION	EXCELLENT FEATURES
Basic business processes	
<ul style="list-style-type: none"> - business processes that create value added product offered by the company; - business processes that create a product presents value for an external client; - business processes whose direct purpose is to generate income; - Business processes for which external client is ready to pay money. 	<ul style="list-style-type: none"> - represent the “mirror reflection” of business directions; - is a source of income generation; - determine business profile; - have a strategic value; - can develop or die, depending on the demand of the company and the company's strategy.
Auxiliary business processes	
<ul style="list-style-type: none"> - business processes whose customers are main business processes, structural units and employees of the organization; - Business processes that support the organization's infrastructure. 	<ul style="list-style-type: none"> - exits can be sold in the external market; - do not have a strategic value; - can turn into the main business process; - May deave in the event of competitive alternatives in the external market and transfer them to outsourcing.
Business management processes	
<ul style="list-style-type: none"> - business processes that provide survival, competitiveness and development of the organization regulate its current activities; - Business processes, which are aimed at managing the organization's activities. 	<ul style="list-style-type: none"> - have a typical internal structure: planning, organization; Accounting, control, regulation. - The difference between management processes is determined by the specifics of the control objects, which process controls.

Source: (Varzanov, Torosyan, and Sazhneva, 2016).

- Auxiliary business processes – are intended to ensure the implementation of key business processes. In general, they provide resources to all business processes of the enterprise – if the main business processes bring money, producing a product and satisfying the needs of the client, then provide processes support the organization's infrastructure. The client for them is not ready to pay money, but these processes are needed to ensure that the company exist. Clients provide processes are subdivisions and employees of the organization, which in describing processes is called internal customers. As auxiliary, as a rule, we consider such business processes as administrative and economic provision, security, legal support, etc.;

- Business management processes – cover the entire complex of management functions at the level of each business process and business system as a whole, that is, the interrelated set of all business processes of the enterprise. At the heart of the construction of control technology is the concept of controlling, which allows to form a full range of enterprise management, ranging from strategic planning to analyse the causes of deviations from the plan and the formation of control impacts (Varzanov, Torosyan and Sazhneva, 2016). Their feature is that they are only needed for management of the company, not for external client, because it is possible to manage enterprise with the help of these processes, ensuring its survival, competitiveness and further development. It should also be noted that there are a number of "necessary" business management processes that are at any enterprise: strategic management, finance management, marketing management, personnel management, etc.

From this definition it can be concluded that the whole set of interacting business processes of a particular enterprise forms a business system of an enterprise that covers all the activities of the enterprise. In this case, business processes exist in an inextricable connection with KPIS and for effective functioning require an accurate and operational calcula-

tion, which is one of the fundamental differences in the process approach from functional. Measurement and interpretation of the value outcome of each business process form effective relationships between the internal client and the service provider.

At the same time, the application of a process approach in various spheres of the economy to obtain the greatest efficiency requires taking into account their basic features. Thus, Professor V. Rudnitsky According to the results of the generalization of modern theoretical and applied research, the following basic characteristics of the trade process were identified:

- Technology of the business process of trade – the content and sequence of works on its execution;

- beginning and completion of the process in the form of certain actions (operations);

- the owner of the trade process – a person (often an employee of an enterprise), which is responsible for the course and results of the process (the seller, a cashier controller, seller-consultant);

- process resources (in particular, material, labour and financial resources);

- Parameters of the trade process – the main characteristics that allow to evaluate the efficiency and effectiveness of the process (trade turnover, income (revenue) from the sale of goods, etc.);

- consumer the result of the trade process – a set of input objects in the form of goods, information, services that are converted into products in the course of execution of the process;

- Output of the trade process – goods, service, information that is the result of the process and must comply with the requirements established by the consumer (for example, products corresponding to quality standards) (Rudnitsky and Rudnitskaya, 2017).

In view of the above. As well as in accordance with the system approach, which is presented in N. Novoselov's work, all business processes of a trading company are divided

into three groups of processes that are interconnected and separately from each other cannot bring high efficiency:

1) Managing business processes that manage the functioning of the system (for example: corporate governance and strategic management);

2) operational business processes that make up the main business company and create a basic income stream (for example: operating business processes are supplying, manufacturing, marketing and sales);

3) support business processes that serve the main business (for example: accounting, recruitment, technical support, etc.) (Novoselova, 2009).

According to a traditional approach to the main business processes of the trading company, the main operating processes of the trading company are listed (for example, the sale of goods, transportation, etc.) and other groups are allocated than defined in the system approach. Based on features, business processes of the trading company are divided into:

a) commercial (advertising of goods and services, selection and order of goods in suppliers, pricing, customer counselling, assortment, sale of goods);

b) Technological business processes of trade organization, which include such processes:

- transportation of goods from suppliers;
- acceptance, storage of goods;
- Movement of the product from the warehouse to the sales hall;
- Sorting goods and preparation for sale, packaging, and more;
- organization of sales of goods;
- inventory;
- Merchandising and others.

In the work "Classification and main characteristics of business processes in the field of trade" by its authors, the classification of business processes of a trading company is carried out according to 9 classification features:

- with participation in the creation of value: basic, auxiliary, managerial;

- by the level of detail: upper-level processes, subprocesses, operations of the enterprise;

- by the nature of leakage in time: cyclic, periodicals, one-time;

- by type of work that make up the process – a list of processes, is determined by the enterprise, depending on the features of its operational activities and management;

- by consumer type: processes for internal consumer, processes for external consumer;

- by character and consumer values: processes that create value for the client; processes that create value for the enterprise; processes that create value for other stakeholders; processes that do not create special values;

- by the release of the process: industrial, trading, service, informational;

- in accordance with the established parameters: typical, sectoral, individual, competitive;

- by the level of innovation: traditional, innovative.

Since the trading enterprise is a complex system, its activity consists of a large number of business processes, each of which represents a sequence of actions and decisions aimed at achieving a certain goal. For each enterprise there is its own set of business processes, and it is not standard for all trading enterprises, as it depends on the specifics of the trading company (industry, size, location, the nature of sales, etc.).

For the effective functioning of a trading company in market conditions it must continuously develop and improve. To do this, when using a process approach, priority to determine and evaluate how well business processes are functioning, which will allow not only disadvantages and weaknesses, but also possible directions of improvement of business processes and the architecture of a trading enterprise, because the width of the coverage of business processes. Penetrate the entire enterprise to the bottom – through existing units of the enterprise, incl. and foreign economic activity. Business processes combine a general set of all

works and tasks that are composed of a single whole and have a continuous character.

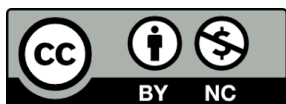
6. Conclusions.

Consequently, the use of trading companies of the proposed conceptual apparatus and the classification of business processes of trade enterprises in the process of using the process approach of organizational modelling of architecture will significantly improve the quality of customer service, and this, accordingly, will contribute to the high level of efficiency of its activities and the necessary competitive advantage, as well. Constructed and structured

business processes of a trading company contribute to reducing expenses, improving the quality of work, improving the quality of enterprise management. Also, future explorations of the author will associate the efficiency of business processes of a trading company, prospects, mechanisms and tools for the introduction of a process approach of organizational modelling of architecture by trading enterprises. Another direction of further development will be the development of ways to improve the principles of process management of trading enterprises.

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