

## DEFINING BUSINESS PROCESSES ACCORDING TO CLIENTS' NEEDS

### ABSTRACT

Defining business processes is a complex notion, determined by numerous factors which inter-act one another and make a cohesive whole. Satisfying client's needs depends on the ability to face their expectations. A certain "connector" between a company and a destined client is an employee who shall acquire information on buyers' preferences and effectively satisfy needs generating a profit for a company.

A foundation of defining business processes remains effective communication in a company. The biggest factors are qualifications of employees and executive staff as well as a company's organizational culture. Managing knowledge undoubtedly contributes to reaching particular benefits. Those occurring most often are as follows: improvement of clients' satisfaction, growth of an enterprise's effectiveness, improvement of a company's image, decreasing costs of functioning and many others. Those effects clearly provide organizations a high position on a market and often contribute to reaching a competitive prevails.

**KEYWORDS:** *business processes, a client, effective leadership, macro-environment, franchise providers and franchise receivers*

### INTRODUCTION

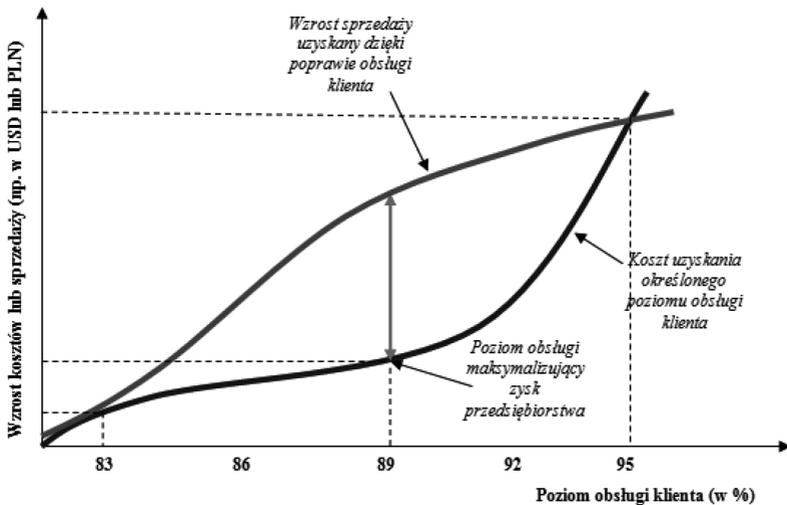
Internal communication, although often not noticeable and unappreciated, makes a very effective instrument of a company's management since it

influences an effective communication between a company's employees as well as improves functioning of a whole enterprise. Effective communication is connected with public relations of a company making a foundation of action on the PR level.

An open system of communication with organization members should transfer much more information than it occurs during realizing contacts with media, lobbying, anti-crisis communication during crisis, etc. (Krupskin, 2004, p. 66). An effective internal communication may prevent from arousing much internal crisis. Such an image should be shaped in employees' awareness of a company where there is an implementation of effective instruments. A company's image plays an important role not only in an external surrounding but also employees' opinion on an entity they are employed in (Robbins, 2001, p. 49). The level of their knowledge on a company is significant, the more they know about it, the easier making own opinion about its functioning and they are willing to adopt an active attitude. The picture below presents dependence between the influence of the level of a client's service and the amount of sales and net profit reached by a company.

Picture 1.

The influence of a client's service on the amount of sales and profit of a company



Source: own work based on: F.J. Beier, K. Rutkowski, *Logistyka*, SGH, Warszawa 2000, p. 47

The fact that the quality of service higher than financial opportunities of buyer may lead to their loss for the benefit of competitive enterprises and to the growth of costs of the lost benefits should be taken into consideration. Thus, consequently to the effects occurring in a situation of too low unaccepted level of service by buyers. Whereas, lowering the quality decreases the costs but it may lead to resignation from purchasing and decreasing a company's share in a market (Czubala, 1996, p. 108). Companies' effectiveness within knowledge management follows a satisfactory level of skills within human resources management. Over half organizations act on the basis of well worked out management procedures of human management and considers that it is equal the best ones on the market due to possessed skills in that areas. Knowledge management initiatives implemented in organizations are supported by proper systems of employees' motivation which were identified in most enterprises. The most motivating ones among human resources management elements were the systems of trainings and developing of employees and executive staff. That direct relation of high skills both in the area of knowledge management and human resources management emphasizes the role of human resources management in supporting knowledge management.

## **BUSINESS PROCESSES AS KNOWLEDGE MANAGEMENT IN A COMPANY**

The world's research on knowledge management indicate that the units responsible for human resources management are one of the most effective ones within knowledge management of a company's organizational units. There are supporting programs undertaken initiatives within knowledge management which are prepared in them. The support mentioned above often adopts the shape of actions of a motivation character enhancing the employed personnel to undertake activity connected with reaching, creating and sharing knowledge/information.

The Polish enterprises are at the beginning of their road in implementing knowledge management programs. The biggest part declares the lowest level of knowledge management. The largest group includes enterprises which have not reached such a level in the development of practices within knowledge

management which would force creating special labor units responsible for reaching, transformation, organization and transferring knowledge. It is interesting that the largest interest in such an attitude is expressed by the organizations with the Polish majority capital (other than the State Treasury) overtaking significantly enterprises of foreign capital which, theoretically have a better access to the good practices within knowledge management already worked out in Western countries. Not good financial situation of companies results in the fact that they must limit to use internal source of knowledge. The role internal experts acquires a particular importance where knowledge is used most often in the area of finance management, marketing, working out strategy of a company's action and human management.

The restrictions, mentioned above, are refund by the information and decision systems functioning in organizations. In vast majority of enterprises those systems allow creating and disseminating knowledge. Implementing management initiatives do not depend only on technology but first of all on those interested ones, namely employees. Supporting factors are becoming important in that matter of knowledge management initiatives undertaken by enterprises (Staniewski, 2008, p. 128–130).

## **EFFECTIVE LEADERSHIP AS A SUCCESS DETERMINANT OF BUSINESS PROCESSES**

The process of performing power is too complicated to be reduced into one of the power basis. There is always an image of power range of a given leader. It also cannot be said about one ideal pattern of power performance effectiveness. It depends on numerous personality and situational factors. Certain personality elements of a leader, especially his/her attitudes and outlook influence an evaluation and then the choice of power basis. Situational factors also play an important role here. Cultural conditions, values respected in an organization, specific norms of management the character of performed tasks are only a few elements that influence the character and intensification of using power (Moczydłowska, 2006, p. 118–120). While observing development directions of present organizations it is easy to notice that such instruments as prizes and penalties as well as opportunities resulting from an occupation are becoming insufficient to realize objectives and tasks that

those organizations face. Future shall probably belong to the leaders whose power mandate depends on their skills and particular knowledge, although a manager's personality is also significant since a leader's personal features also influence the quality of contacts with the subordinate team and those contacts and an inseparable condition to optimal using of the leader's knowledge (Hiroszowicz, 1967, p. 269).

In practice there is a notion of a formal and informal authority. The first, also called an administrative one, is understood as power based on legitimation, namely it results from a formal criterion of occupying the highest position in a group structure. An informal authority is a combination of a professional authority (power based on professional knowledge and skills) and charisma authority (power based on identification connected with excellent moral, intellectual and personality features). Similarly to the sources of power, in case of authority it is important to join formal and informal authorities since a formal authority, while being promoted to a manager's position, may be soon exhausted. There is also a danger of illusion of possessing authority thanks to the right to control others. A real authority may be built only while developing the sense of internal control among subordinates over their lives, namely the belief that their life and professional experiences (successes and failures) depend first of all on themselves. Authority, especially that informal one depends also on a system of values really respected (not only the declared one) and a general personal culture of a leader. Leadership is connected with values; it has a moral character which implicates the necessity to provide much information to subordinates concerning various opportunities of action in order to reasonably choose when time of reaction to a leader's suggestions comes (Zellma, 2002, p. 132).

### **THE INFLUENCE OF A COMPANY'S SURROUNDING ON THE ADOPTED MANAGEMENT STRATEGY**

Each entrepreneur has an enormous sense of macro-environment influence on own realization of the processes occurring in his/her environment. For each entity a company is a micro-environment, namely: employees, infrastructure as well as realized economic processes including distribution canals functioning. A company's macro-environment is an opportunity to

a company's functioning provided by the law and administration, economic reality as well as clients/receivers themselves. Each entrepreneur is aware that positive recommendations are the best advertisement and references may be acquired only through blameless sales with the use of perfectly functioning canals of distribution thanks to the just-in-time principle (Rydzikowski, 2006, p. 256).

Management describes clients and market segments which a company is going to compete with and effectiveness measurements of a company connected with it. The strategy of a majority of entities always includes several basic realization measurements of well formulated and implemented strategy such as: satisfaction, maintenance, acquiring and profitability of clients as well as quantity and value share in a destined market. It should also include specific measurements of the value offered to destined segments of clients and market. Those factors, specific for a given segment of clients determine realization of strategic objectives (the factor of future success) and have a decisive importance for a client's decisions on changing or further cooperation with a supplier.

For instance, it may be a short time of an order realization for a client, innovativeness in implementation of new products, ability to adapt to arousing needs and prompt implementation of products which satisfy the needs. A client's perspective enables management formulating a market strategy which shall bring excellent financial results in future (Kaplan, Norton, 2007, p. 42).

Prompt changes occurring in the surrounding, particularly in a market environment force enterprises to constant adapting and chase for improvement, modernity, development and first of all maximization of benefits both material and non-material ones.

## **EXTERNAL INSTITUTIONS OF SUPPORTING BUSINESS**

The issues of entrepreneurship support by institutions from business environment should be seen through the prism of a financial sector. Those are such functions as: managing money circulation in economy by creation of debt money, performing payment-clearance operations, stimulating and collecting internal savings and co-deciding on capital allocation (Korenik, Korenik, 2004, p. 122–128).

Where traditional methods and ways fail there a role of institutions of business surrounding begin. Institutions of business surrounding grant material, financial and human capital support (especially as knowledge). Those resources are particularly important for entrepreneurship development.

While analyzing material support, the activity range analyzes of an institution of business surrounding in a given territory is necessary. Material support may be granted by entrepreneurship incubators, Special Economic Zone, industrial and technology parks. Those entities may offer a place to conduct an economic activity in a favorable price. It should be remembered however that it will not be free. Using the support of those entities is often connected with reaching particular objectives and effects which shall be indicated just at the beginning of cooperation.

Particular assistance is granted by associated entities in networks supporting entrepreneurship and innovativeness. The activity of those entities allows acquiring support within counselling and trainings (simple and complex with different degree of specialization), information (connecting economic partners, foreign investors' service), pro-innovative (assistance in implementation of innovative solutions, implementing technology auditors).

The assistance is very important since it interacts not only to material resources but also personnel ones. An entrepreneur often needs professional advice or training own person and employees. The institutions associated here often offer free assistance or for a low price. Such institutions may be found in the net of the National Service System (acting with the PARP support), in the Polish Entrepreneurship Foundation and its agendas and incubators of entrepreneurship.

Using the Project Finance faces barriers of organizational character. There is no any agent who may advise how to prepare documents, connect sides and even support within know-how. There are particular areas restricted for the Project Finances. Those are infrastructural investments especially in a road, water supply and sewage, energy, telecommunication and industrial sectors using natural resources, social infrastructure or industry, petrol, agriculture and forestry. Professional knowledge on management and finances market functioning as well as legal and economic knowledge concerning preparation

of agreements and risk security are necessary to perform the project. It does not mean it is impossible to be performed in Poland. Those are new structures burdened by the risk of legal gaps. It is important here to find a partner and possessing the above mentioned skills (or managerial staff transfer ready to conduct such a venture) (Jajuga, Jajuga, 2006, p. 254–261).

Franchising is undoubtedly an alternative form of entrepreneurship development financing. The Polish Franchising Organization adopt new members and there are not only information on business activity in the <http://franchising.pl/> website but also the register of franchise receivers' candidates which is destined to those who wish to begin their economic activity on own account. It is an opportunity to join two parties of business, namely franchise receivers and franchise providers. The website provides advice concerning that form of activity, there are both its advantages and disadvantages. It is important since a potential entrepreneur may find out not only how to run a business basing on that opportunity but also evaluate how much a franchising agreement is favorable for those interested.

Self-government is especially important as a local market animator. It fulfills a serving role towards a local community and stimulates a local market within its development. Indeed, the granted support depends on local authorities' creativity and if so, in what form and range. It is never known if self-government wishes to be involved in stimulating entrepreneurship or if it has any strategy in that matter or it just "speaks a lot" about what is going to be done. The problem is how to find out if self-government indeed wishes to be a creator of local entrepreneurship. The existence of basic documents needs to be analyzed, namely: spatial economy plan (which designs opportunities for investment and conducting economic activity), a document called a strategy, local policy of public assistance.

Those documents should serve an analysis aiming at the conclusion on their usefulness. If the documents are used in a self-governmental practice, it is information that local self-government is actively involved in entrepreneurship processes. It is also worth to estimate undertaken entrepreneurship initiatives, i.e. supporting entrepreneurship incubators, cooperation with loan and guarantees funds as well as cooperation with local entrepreneurs' associations (Filipiak, Ruszała, 2009, p. 267).

The indicators presented above show potential opportunities to search for support. It should be highlighted that there are new institutions that arise nearly every day aiming at supporting business. In the already existing ones, there are changes and the institutions themselves change their image and selection of products and services. Reality requires the changes and entrepreneurs are the only verifiers of those institutions offer.

Investment is one of the basic activity in a human life and in economy, these are investments are a necessary condition to develop. The message is extremely up-to-date in relations to a mission of institution of business environment. They should support the sector of small and medium enterprises in such a degree that they could invest and develop. Institutions of business environment should facilitate investments in human capital (intellectual one) and thanks to those investments there shall be a quality change in staff of the small and medium enterprises sector. The regulations indicated above are a basic indicator of entrepreneurship development but also a direction to intensification of undertaken actions by the institutions of business environment (Jajuga, Jajuga, 2006, p. 9).

## SUMMARY

To sum up, a basic paradigm in the activity of economic organizations of an industrial age were orientations to products and economic rationality (effectiveness) of its offering to an anonymous, mass client. In the sphere of organization management, it was expressed as aiming at rationalization of organizational structures and providing correctness of its activity through planning and controlling economic processes as well as economic motivation of an enterprise personnel (Róžański, Sokołowski, 2010, p. 164). The process of organization management results directly from the matter of an organization itself. The matter of an organization is human cooperation while realizing the same objectives. Therefore, it is a sphere of social phenomena characterized by a certain degree of unpredictability (Bielski, 2002, p. 4). An extremely significant, a key element of management indeed is a manager whose basic task is constant management process realization. The matter of managing is very important. However the process of building and implementing a strategy itself should be presented, namely principles of management which

are very important due to their influence on a company's functioning. There is certain entrance competences in a company needed for a performed work. Those are mainly soft competences concerning client service and technology skills concerning process programming, e.g. logical thinking, suitable level of knowledge and experience within financing instruments, however there is no possibility to reach for those who already know the software due to their uniqueness.

For those companies aiming at clients, a purchaser's satisfaction is both target of activity and a basic measure of success. Enterprises which obtain high level of clients' satisfaction wish a given market to be familiar with it. Enterprises realized that pleased clients are the source of many benefits for a company. They are less sensitive to price and they become long-term customers. When an enterprise implements another facilities or versions of a given product, constant clients buy them and recommend the company and products to their friends (Kotler, Armstrong, Saunders, Wong, 2002, p. 130).

Buyers' expectations result from earlier experiences of purchasers, opinions of their friends or relatives and information and promises transferred them by a seller and its competitors. Marketing specialists must be careful in shaping a proper level of expectations towards their offer. If it is too low, those who buy the products shall feel satisfaction but the company may have troubles with enhancing relatively large group of consumers to the purchase. If the level of expectations increases too much, buyers may feel disappointed having bought a product. However, some companies with greatest successes on a market try to raise expectation level towards their products and then they fulfill them. Market leader are examining clients' expectations nowadays, the way of perceiving offers or a company by them and as well as the level of clients' satisfaction. They also follow competition achievements in that field.

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