



# STRUCTURE FUNCTIONAL ANALYSIS OF THE BUSINESS PROCESSES

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## o **The purpose of the report is:**

To prove TRIZ-regularity of transition from functional, process approach to the operation of business to the network approach.

## o **The tasks of the report are:**

- To define advantages, disadvantages and contradictions of functional and process approaches;
- To define the TRIZ-tools resolving the contradictions of functional and process approaches;
- To prove appropriateness of organizational system consideration as live organism;
- To offer a technique of the network approach realization to operation of business.



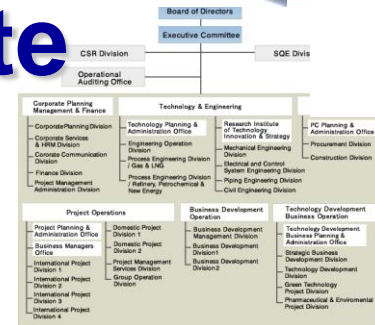
# Structure of Presentation

## Introduction



✓ **History of corporate governance**

✓ **The network approach**



## Conclusion

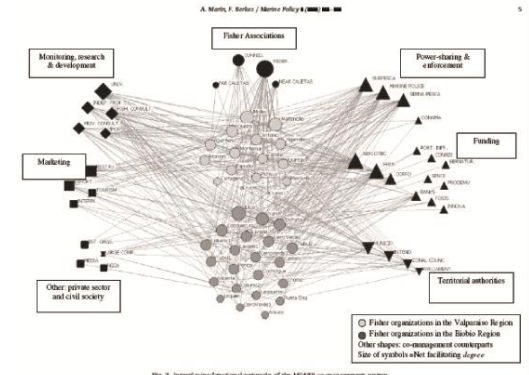


Fig. 2. Interconnecting functional networks of the MSAR co-management system.



# Introduction

Since the end of the XX-th century of corporation, in particular the American corporations, the wave of changes has overflowed.



More than 40 % of the corporations afforded on 11 and larger transformations.

According to the most of estimations, from 50 to 70 % of all corporate changes haven't led to achievement of scheduled objects.



# 1. History of corporate governance

## Functional approach to management

Main problem: «What to do?»

### Field of application:

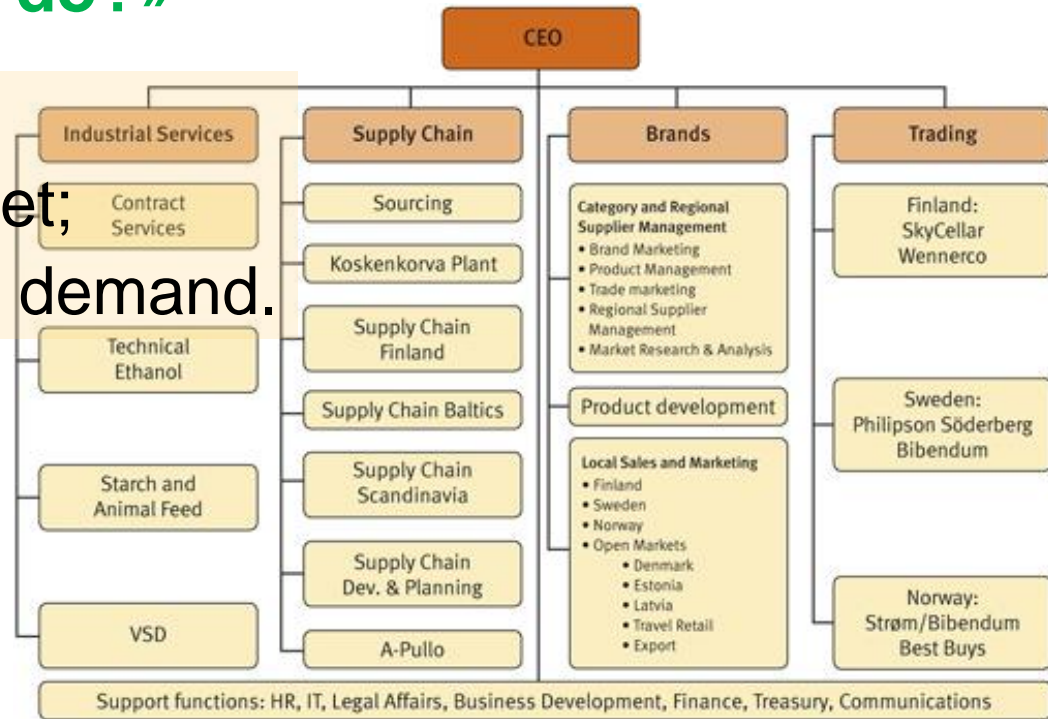
- The guaranteed market;
- Constantly increasing demand.

### Advantages:

- Simplicity;
- Replicating.

### Disadvantages:

- It is insolvent in the conditions of competitive struggle;
- Expectations and requirements of clients aren't considered.



# Functional approach to management



## Contradictions:

At strengthening of the environment factors influence on the enterprise it is INADMISSIBLE speed of the organizational structure response decreases.

## Inventive principles:

- Another Dimension;
- Mechanical Principle Replacement.

# Process approach to management

**Main problem: «How to do?»**

## Field of application:

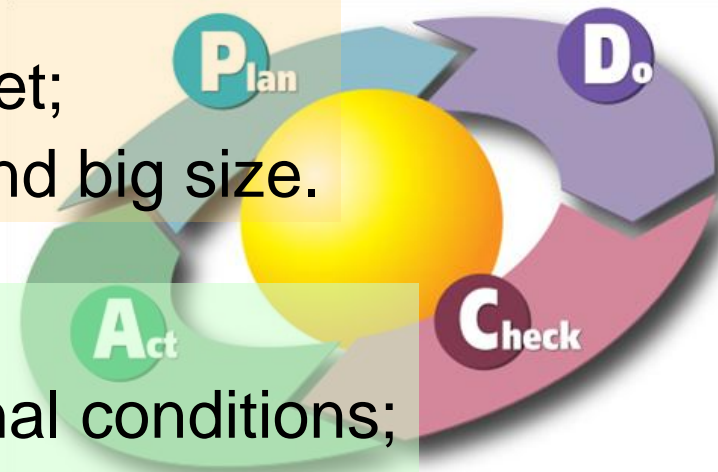
- The rather slowly changing market;
- The companies of the average and big size.

## Advantages:

- Fast reaction to change of external conditions;
- Orientation on the client;
- Focusing on quality improvement.

## Disadvantages:

- More difficult control system;
- Not possible effectively to operate projects.



# Process approach to management

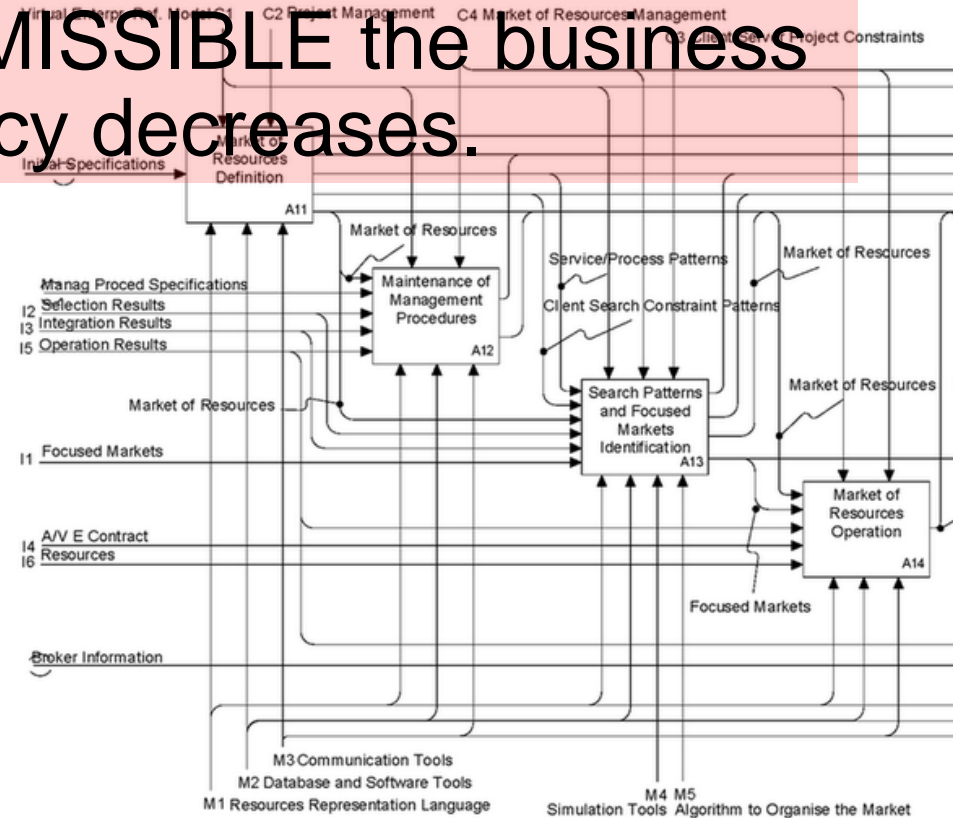


## Contradictions:

At increase cross-interaction between business processes it is **INADMISSIBLE** the business management efficiency decreases.

## Inventive principles:

- Dynamicity;
- Feedback.





# 2. Network approach to management

Main problem: «How to interact?»

## Field of application:

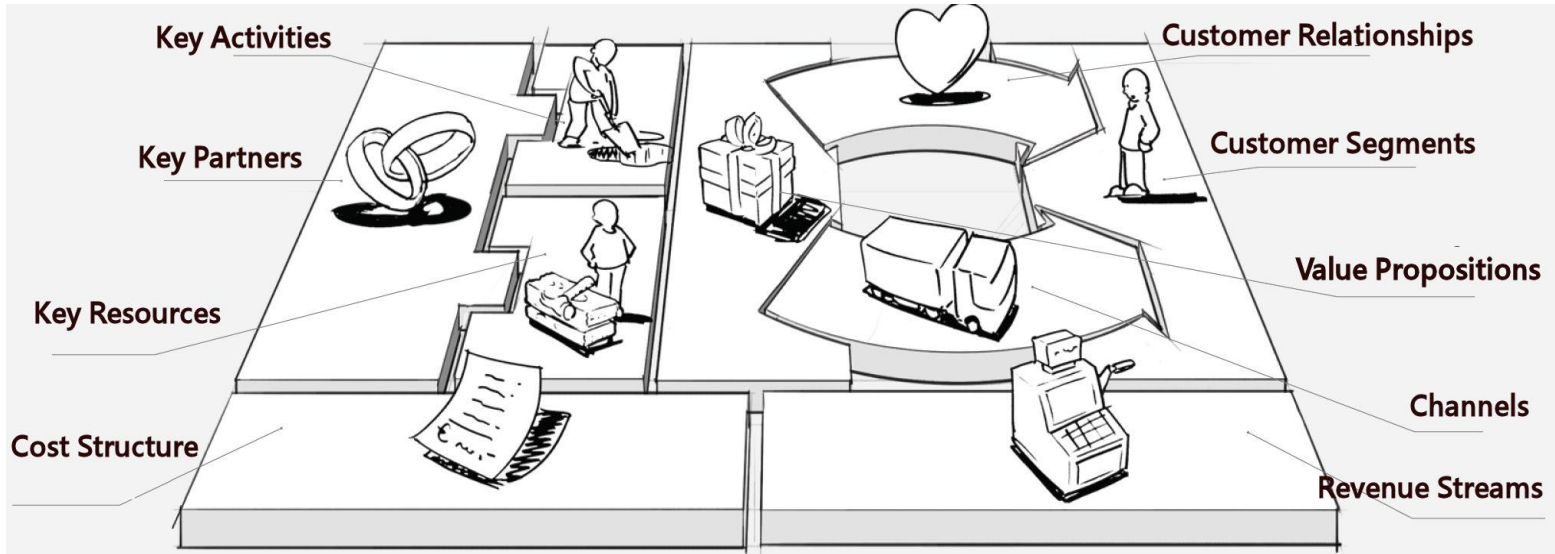
- The worldwide market;
- The huge companies.



## Advantages:

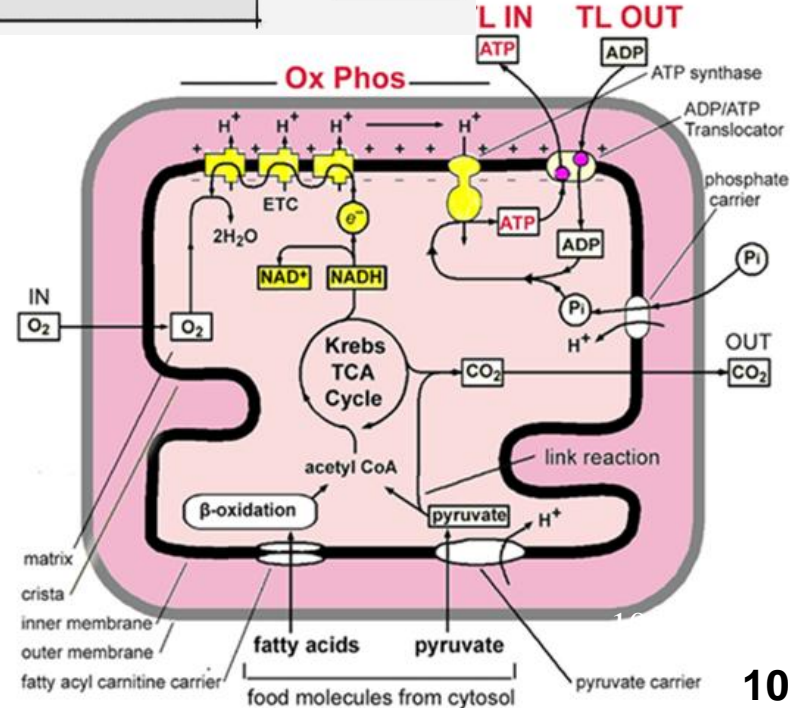
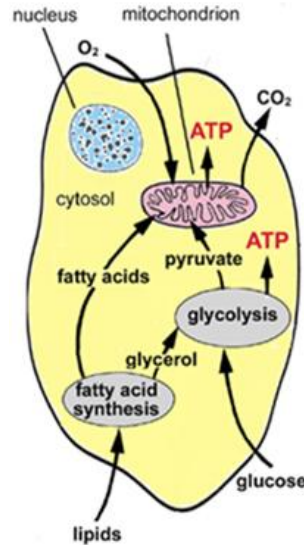
- Very fast reaction to change of external conditions;
- Debureaucratization of the administrative organizations.

# The organization as a live system

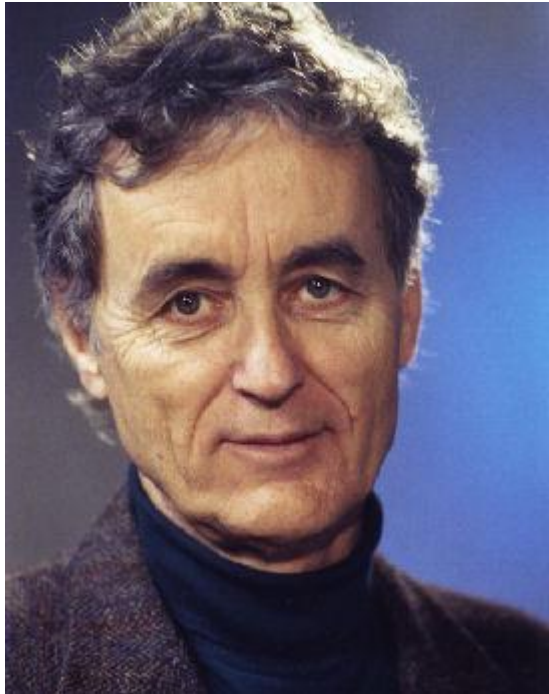


Business model

Model of Cell



# The Key Criteria of Living Systems



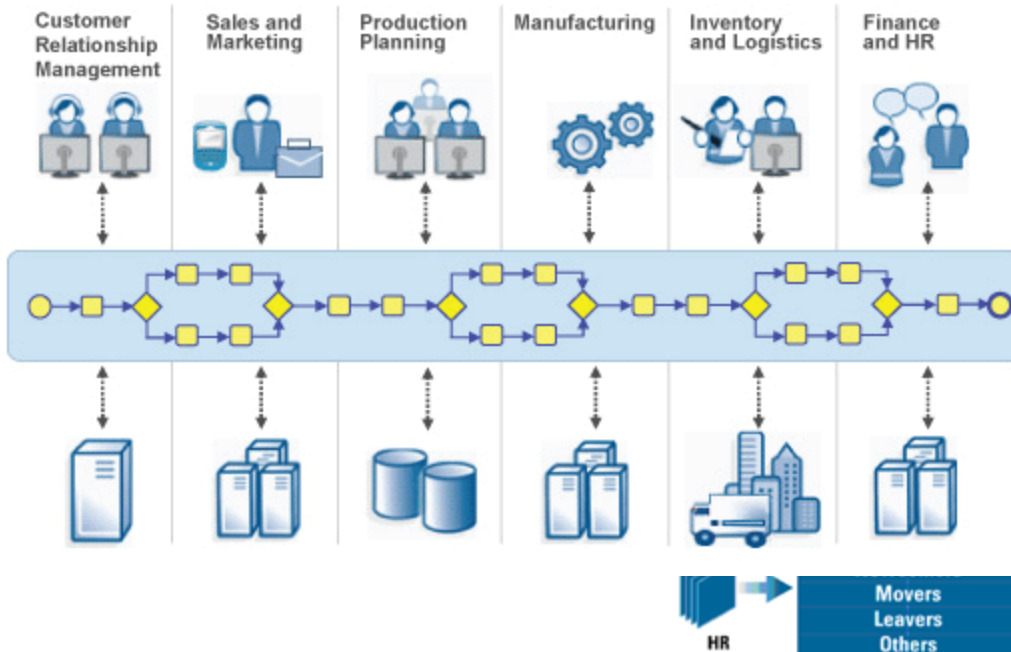
- ✓ pattern of organization is a set of relations specifying essential characteristics of a system;
- ✓ structure is material incarnation of a pattern of system organization;
- ✓ living process is activity referred to constant incarnation of a pattern of system organization.

**Fritjof Capra “The Web of life”**

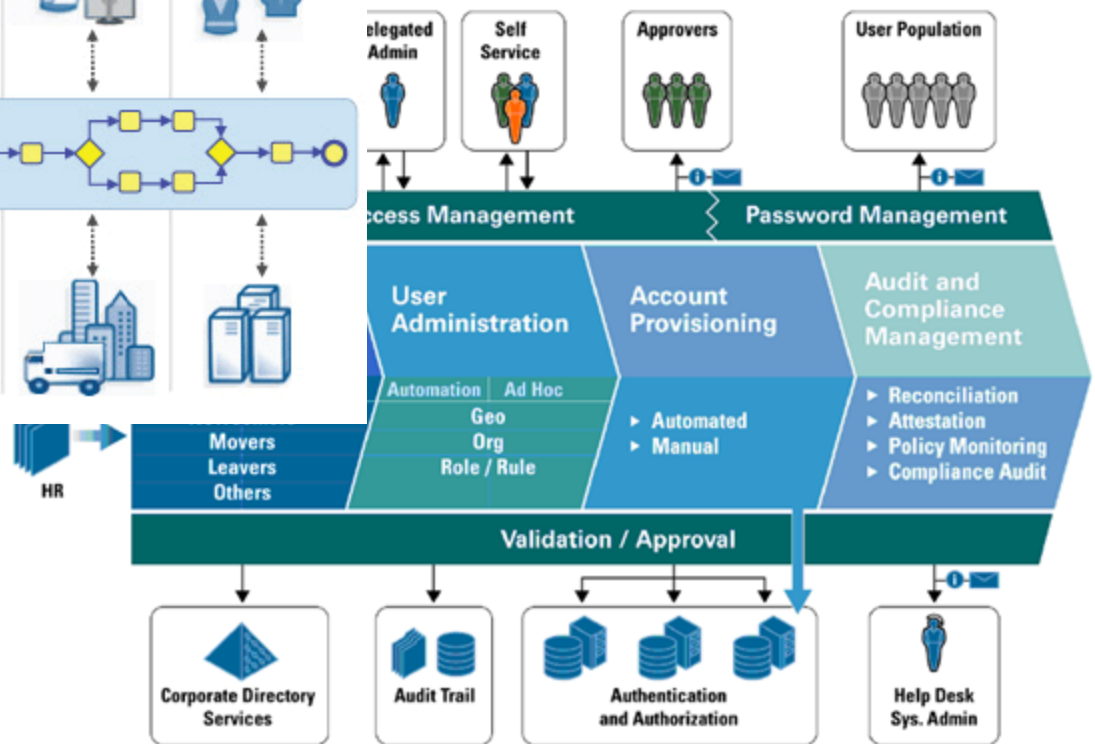


# Pattern of business system

## Order of business process



## Duty regulations



# Structure of business system



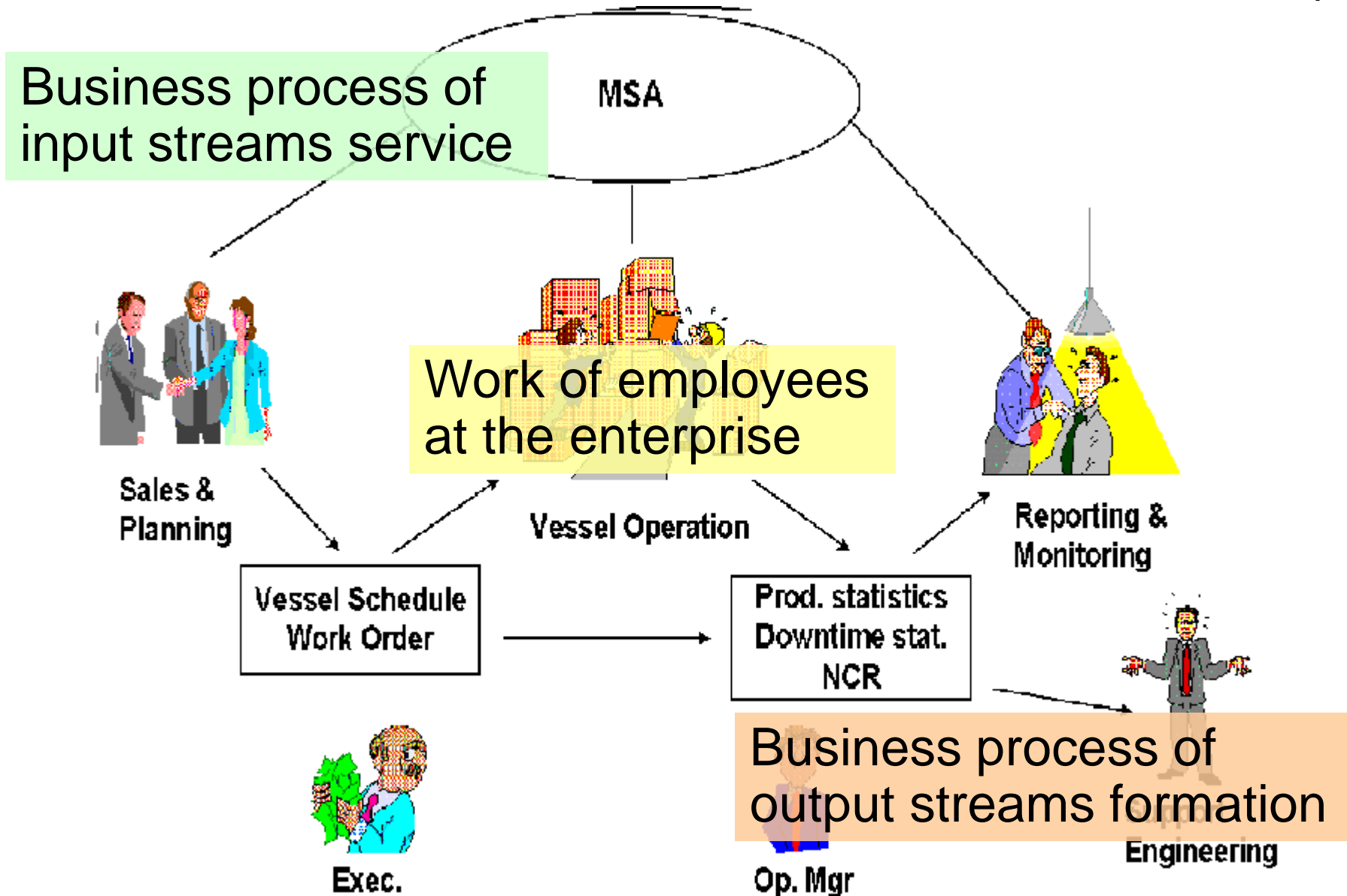
Actually business process operating at the enterprise



Officials



# Living process of business system





# Conclusion

Approaches to the operation of business (functional, process, network) develop according to TRIZ-regularities.

The business system should be presented as live system for reinforcement of the network approach.

Feedbacks and dynamization allow to "breathe" life into business system.



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**Thank you  
very much  
for your attention**

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