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Strategic Approach to Enhancement Business Processes in Telecommunication Organization

Abstract: In global environment there is high competition among telecommunication companies. Many studies emphases the fact that quality is one of key success factors. It is reason why telecommunication companies need to redesign their business processes, beginning from strategic to operational level. Through analyzing good practice in leading telecommunication companies is evident strength and effort to translate strategy into business processes. In this paper are presented results of design a new strategic approach to enhancement the business processes in telecommunication organization.
Keywords: quality system, telecommunication organizations

1. INTRODUCTION

Designing the organizational structure of the company has a strategic importance for long-term functional effects related to the achievements of business objectives. As a result, this is in the focus of the strategic management design structure and system design. From a variety of approaches, concepts and definitions of strategic management processes for the management, the strategic management involves the search, and superstructure construction, and maintenance of strategic resources necessary for the success of the company. In this sense, the organizational structure is used as an infrastructure for creative development and successful search for new ideas with long-term effects. Therefore, the innovation of the organization is viewed as a high-ranking strategic resource that achieves a specific advantage.

Chandler defined strategy as the allocation of existing and future resources which are necessary for the achievement of defined objectives and decision making on appropriate actions for achieving goals. Strategy defined this way implies that "structure follows strategy." This especially applies to changes in structure, and thus the organization because of changing market conditions and the ruling paradigm in the business.

If the business of the organization is viewed as a complex dynamic and stochastic system, the application of process approach becomes imperative.

In this regard, external and internal processes can be separated. The first group of processes is related to the processes in the environment and communication with the organization. The second group of processes is "classical" processes which can be divided according to ISO 9001 to the management processes, core processes and support processes. By focusing on processes, the point of view and understanding of the organization changes. Orientation to business functions gives way to the process orientation. The application of information technology to optimize the function of the process did not give the expected results.
The time to exchange information is

reduced, but other differences in the approaches of each function remained. It is necessary that the organization focuses on cross function processes. This approach is not new, as it has already applied the concept of BPR (Business Process Reengineering), BPM (Business Process Management), which is developed in the late eighties and early nineties of the twentieth century, by Gaitanides-a [4], Davenport's [5], Hammer and Champy's [6].

In the work of these theorists, there are significant differences in scope and observation focus, the level of detail, but generally they provide little guidance in their practical application. The American approach to the analysis of case studies is more useful for practitioners. Now, we have "explosion" of the literature which subject is design of the concepts that can be realized. Before the organization focuses on the process; it must build its own terminology. Starting from the definition of ISO 9000, organization needs to define processes, business processes, methods, decomposition and analysis of value creation chain, process improvement projects, teamwork, process owners, etc.

The organization needs to optimize usage of available resources. It is therefore important to define key processes and support processes and to develop its competitiveness especially in key processes or parts of key processes.

In this paper the basics of the new approach are implemented in Telecom Serbia are presented. The basis of this approach are the works of Kaplan and Norton [1, 2], especially the process of defining the strategic map.

On this basis, the vision, mission, values, policies, objectives and strategies, as well as critical success factors, critical processes are defined. Greater number of critical processes is related to the strategic processes, and the process of managing the risks of the Company is specifically analyzed in this paper. At the end of the paper, using benchmarking method, this company is positioned in relation to other telecommunications companies in Europe.

2. THE BASIS OF NEW STRATEGIC APPROACH

Starting from the theory [1, 2, 3] and practice of strategic design process, a new strategic approach is designed, with elements:
  a) Objective: Improvement of component objectives shown in Figure 1
  b) Planned activities:
  1. Using the principles of management processes, in accordance with the principles of quality management system (QMS according to ISO 9001:2008), there is the following:

decomposition and analysis of 10 process, namely:

- Develop policies to improve existing services and development company,
- Development of pricing policy portfolio services company,
- Develop marketing plan for the company,
- Development of company financial policies,
- Development of human resources management policy of the company
- Procurement Management of the Company
- Business Risk Management of the Company,
- Management of telecommunica–tions regulation,
- Relationship Management with strategic partners
- Management activities of defining and implementing strategic business company plan
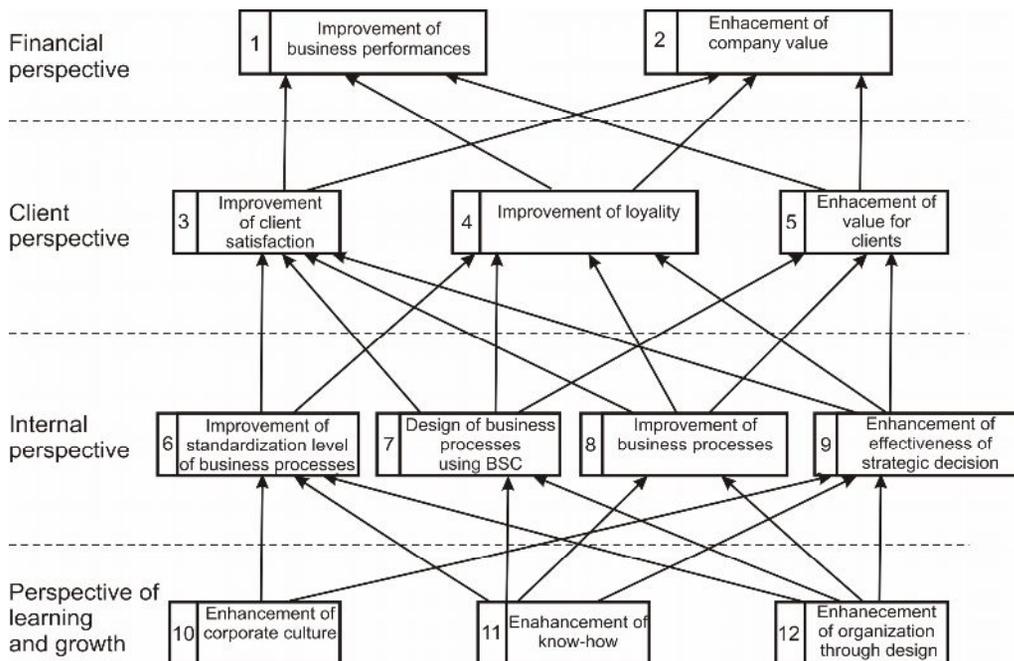
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Figure 1 – Strategic framework in the telecommunications business organization

c) Determined processes are mapped in accordance with the Business Process Framework (eTOM) for compatibility with the standards in telecommunications,

d) For each process, which is conducted as a separate subproject, must be done:

- Analysis of strategic requirements in relation to the process,
- Identification and demarcation of the process,
- Analysis of requirements of stakeholders,
- Analysis of the interface,
- Modeling and mapping of the process,
- Design the necessary processes,
- Definition of process metrics,
- Development of procedures to manage these processes

e) The results from each of these redesigned processes are:

- Procedure,
- Process model,

- Decomposed model of the process for later process of building a system to support decision-making and improve internal communication supported with ICT,
- Greater transparency of the process,
- Promote the objectives of the process.

Performance Management has nothing more than a legitimizing character during the implementation of a new process-oriented organization.

Far from it: Without a consistent and valid Telco Process Performance Management on the basis of service level agreements (SLA), operational level agreements (OLA), and relevant key performance indicators (KPI) inefficiencies and optimization potential cannot be discovered. SLAs describe service agreements between the telecommunications company and end customers or external partners. OLAs, in

comparison, are directed inwardly and describe service agreements between various departments within the teleco–mmunications company. (Figure 2).
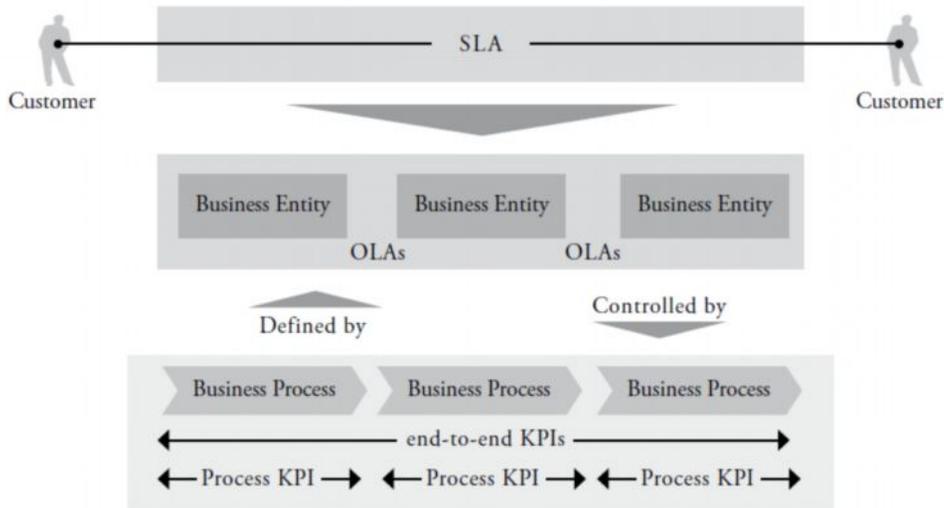

Figure 2 – Overview of Telco Process Performance Management

In a process-centric organization, Telco Process Performance Management is at the bottom of all organizational development, oriented to goals and processes on the basis of strategic requirements. Neither strategic nor operational management are logically possible without Telco Process Performance Management, if the process-centric organization is to be more than an abstract ideal.

One of the most frequently applied standards is the eTOM (enhanced telecom operations map) business process framework which both models the entire process landscape of a telecommunications company and provides predefined performance indicators which can be used in Telco Process Performance Management. (Fig. 3)
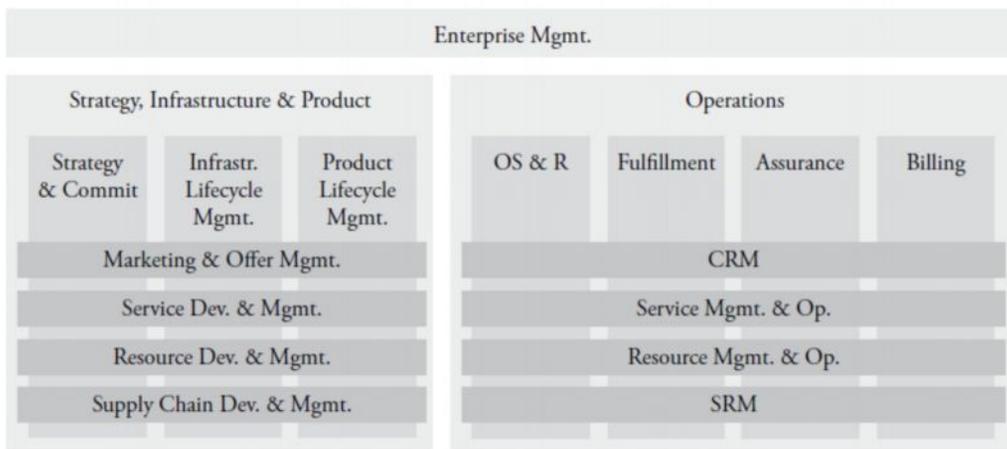

Figure 3 – Fundamental Structure of eTOM (Enhanced Telecom Operations Map)

One success factor for the anchoring of Telco Process Performance Management in the organizational structure is to determine responsibilities for processes, i.e. process owners. Process owners are responsible for the analysis, design, implementation, and continuous improvement of their business processes.

3. RISK ASSESSMENT

3.1 The procedure of risk assessment

The process of risk management is analyzed at the level of planning and implementation of:
- Strategy,
- Process and
- Projects.

In the first case risk will be analyzed at the level of corporations (companies) and the formation of adequate risk strategy is going to be shown, as a component of corporate strategy.

Characteristics of risk policies and strategies are:
- Recognition of the importance of risk in business corporations,
- Determining the specific type of risk at the level of the corporation,
- Establishing ways of assessing risk at the level of the corporation,

Corporate risk strategy should be to point out the directions:
- Avoiding risks,
- Reduction of risk,
- Transfer of risk,
- Retention of risk.

Changes of the strategy will be particularly analyzed in the field of component strategies:
- Relationships with strategic partners,
- Environmental Protection,
- Safety and health at work,

- Suppliers, especially strategic business units.

All listed risks should be involved in the strategic plan of the corporation, and in the field of telecommunications especially should be involved following market uncertainties and risks: the primary safety of digitized infrastructure protection and continuity of communication traffic, the potential usage of advanced technologies, unpredictable market development and the rapid migration and fluctuations of customers.

On the other hand, the general requirements of customers for Internet and mobile phone services significantly modified their behavior, they radically enlarged and modified the risks which are operators facing now. Information and Communication Technology (ICT) are particularly "vulnerable" because of heterogeneous technological systems, the availability of user terminals, large fluctuations in customers, who together seek constant improvement of protection against risks.

The risks of the process are analyzed specifically for key business processes, which is based on the analysis of key success indicators (KPI). But now some of the processes of eTOM map of the process can be identified:
1. Enterprise management
- Strategic & enterprise planing,
- Financial i asset management,
- Enterprise risk management,
- Stakeholder & external relationship management.
2. Strategy, infrastructure & product
3. Operations.

The risks of the project will be analyzed in accordance with ISO 10 006 (Guideliness to Quality in Project Management) and BS 6079-3:2000 (Project Management - Guide to the management of business related project RISC).

3.2 Content of the process PP7: Managing business risks of the Company

This process includes:
- Analysis of strategic requireme–nts,
- Identification and demarcation process,
- Analysis requires stakeholders,
- Analysis interfaces,
- Modeling and mapping process,
- Structure the necessary process,
- Define process metrics,
- Develop procedures for managing PP7.

4. BENCHMARKING RESULTS

All the major telecommunications companies have incorporated this activity in the business strategy. So Deutsh Telecom said the following strategic decisions::

Vision, strategies, focus areas

Deutsche Telekom blends a strong sense of responsibility into its development towards being the revenue leader among Europe's integrated telecommunications companies.

"As the leading services company in the telecommunications and information technology industry, we network society for a better future. With top quality, efficiency and innovation, to the benefit of our customers. In every respect." Our T-Spirit corporate vision and values also give guidance for the Group's strategic planning:

- The Group strategy Execellence Program, with which we clearly focus on the requirements of our-customers and thereby ensure profitable growth;
- The Group HR strategy, with which we meet our responsibility to our employees;

- The Group sustainability strategy, which sets out our responsibilities to the environment and society, as Deutsche
- Telekom's contribution "for a better future";
- The Group HR strategy and Group sustainability strategy are closely interwoven.

The five Guiding Principles of Deutsche Telekom

- Customer delight drives our action.
- Respect and integrity guide our behavior.
- Team together, team apart.
- Best place to perform and grow.
- The final principle involves personal commitment to Deutsche Telekom from every employee.

Kao rezultat ovog strategijskog prilaza razvijaju su komponentne strategije HR, kvaliteta, marketinga, razvoja, inovacija, finansije, itd. Sa njima su "pokriveni" svi poslovni procesi. Na osnovu potreba stejkholdera, u njima su uspostavljeni različiti sistemi menadžmenta. Na slici 4 prikazan je broj sertifikovanih sistema u nekim telekomunikacionim kompanijama.

As a result of this strategic approach, the component strategy of the HR, quality, marketing, development, innovation, finance, etc. are developed. All business processes are "covered". with them. Based on the needs of stakeholders, different systems of management.have been established. The Figure 4 shows the number of certified systems in some telecommunications companies.

As one of the outputs from this project is to develop and establish an integrated management system with a total of 11 management system according to ISO 9001, ISO 14001, ISO 20000, BS 25999,

ISO 27001, TL 9000, ISO 26000, ISO 28000, ISO 31000, ISO 18001, ISO 10006th This would be useful in order to

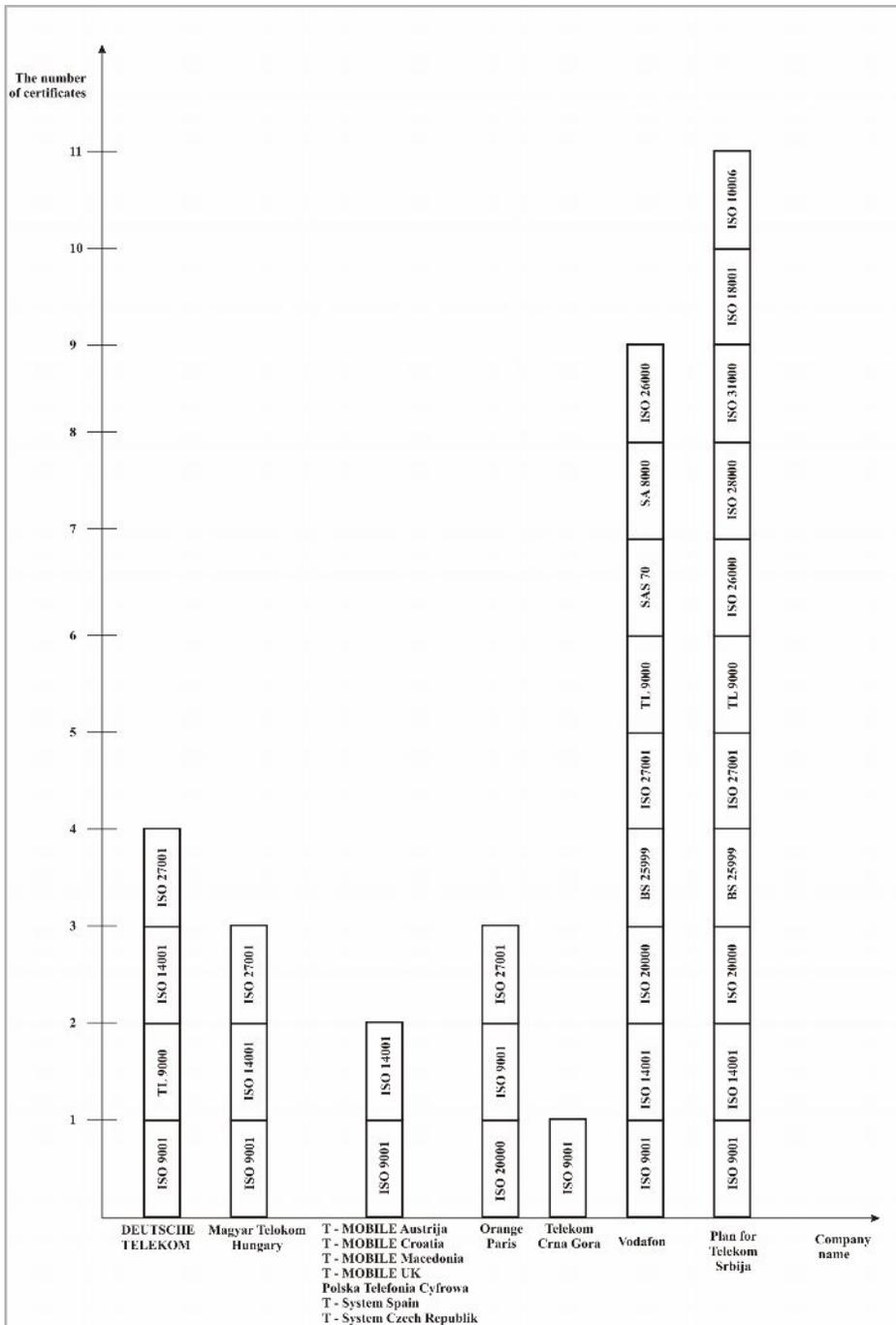meet the stakeholders expectations and achieve the objectives listed in Figure 1

Figure 4 - Benchmarking certificated telecommunications companies

5. CONCLUSION

Applying the proposed concept is expected to exercise short-term and long-term goals:

1. Improving business performance: 1-5% / year,
2. Increasing the value of the company: 3% / year,
3. Increased level of customer satisfaction: 10% / year,
4. Increasing loyalty: 12% / year,
5. Increase value for customers: 5% / year,
6. Improving the level of standardization of business processes: 15% / year,
7. The design of business processes from the aspect of applying BSC: Increase the scope of application of the BSC (5% / year.),
8. Increasing the effectiveness of the process of applying the appropriate KPI: 10% / year,
9. Increasing the effectiveness of strategic decision-making: 15% / year,
10. Promotion of corporate culture: 15% / year
11. Improvement of know-how: 8% / year,
12. Improvement of Organization: 5% / year,

which needed to make the company much more competitive in the market of telecommunications services.

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