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METHODOLOGY FOR BUILDING SYSTEM PROCESSES IN COMPANIES FOR SUCCESSFUL INTERNATIONAL BUSINESS

Summary. *Globalization opens new challenges for business organizations (new competitors and new market opportunities), which have a strong impact on international business and corporate strategies. There arises a need for the introduction and implementation of a comprehensive system that integrates the many processes in companies which are key to their more efficient and effective functioning in international business operation. The purpose of this study is to propose a methodological scheme for building system processes in companies, which will be the basis for successful international business. This scientific work is based on author's interpretation, research, analysis, synthesis, adaptation of publications by Bulgarian and foreign authors. The methodology focuses on 4 main levels: a business model that creates value for the business; creating a system for effective marketing and sales; building a system of efficient practices and processes in the company's activities; a strategy for business development on international markets. This methodology for building system processes in companies for successful international business is an attempt to achieve a view of business as a complete system, each process of which works for the progress of the whole business entity. The paper can serve the practitioners,*

entrepreneurs and managers when they want to expand their business on international markets.

Key words: *business model, system, marketing, strategy, value*

Introduction. The opportunities offered by international markets are becoming an attractive tool for the growth and development so sought by companies. However, the economic, managerial, financial, technological and social drivers of globalization have a strong influence on international business and corporate strategies. This leads to the need to introduce and implement a comprehensive system that integrates the many processes which affect the way companies operate effectively on international markets. Building system processes in companies is of key importance for their more efficient and effective functioning when doing international business activities. The purpose of this study is to propose a methodological scheme for building system processes in companies, which will be the basis for successful international business. This scientific work is based on author's interpretation, research, analysis, synthesis, adaptation of publications by Bulgarian and foreign authors.

Methodical scheme for building system processes in companies for successful international business. The methodology allows to build such an international business that operates as a whole organism, each part of which contributes to the overall success. The aim is to integrate the many elements that affect the way in which companies doing international business operate effectively. The methodology suggests that building a stable systemic international business is based on 4 main levels:

- Business model that creates value for business;
- Creating a system for effective marketing and sales;
- Building a system of efficient practices and processes in the company's activities;
- Strategy for business development on international markets.

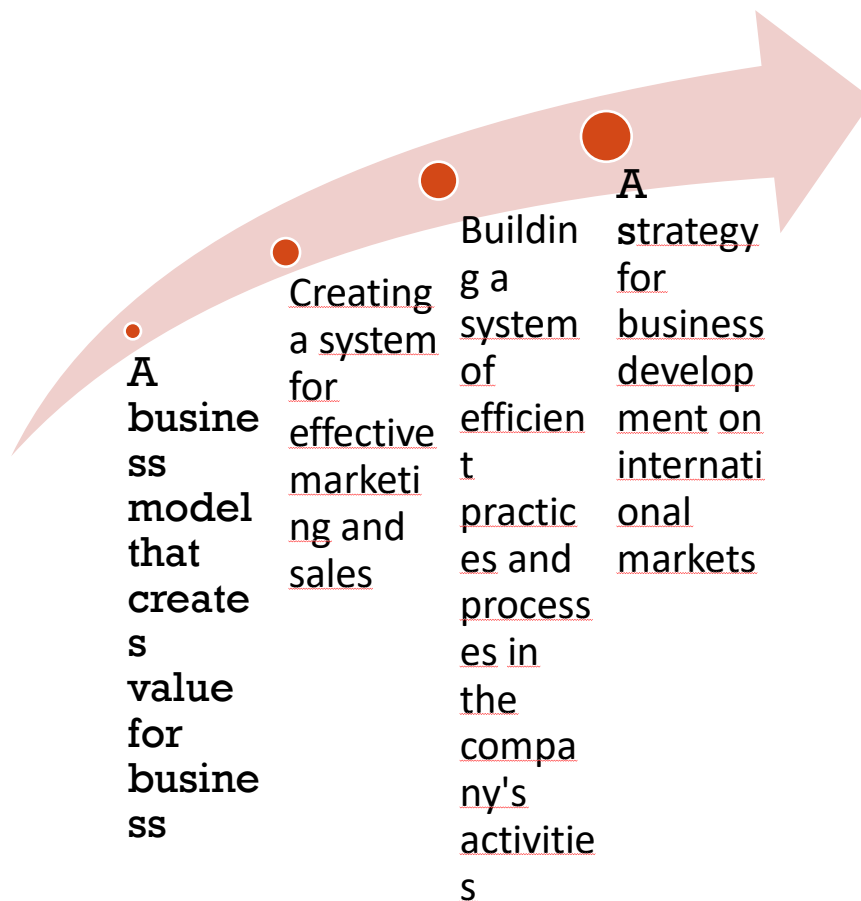


Fig. 1. Methodology for building system processes in companies for successful international business

Source: author's development

The first level of the systemic international business, i.e. the *business model*, combines the core values of the company, strategy and business, and as a result all this illustrates the way in which value will be created for the business. At the heart of the business model are the company's values, as they are fundamental to everything it does. Its strategy and the way the company approaches the work are focused on four main areas: Organizational efficiency and individual responsibility, Excellence in core business processes [5], Corporate responsibility and Creativity and innovation. Exceptional importance is attached to each of its strategic imperatives, for which detailed work processes are developed and multidisciplinary teams are created in order to ensure success in each area of the company's overall strategy. Its values, its strategy and the

way it creates value, taken together, will help create value for the company's owners.

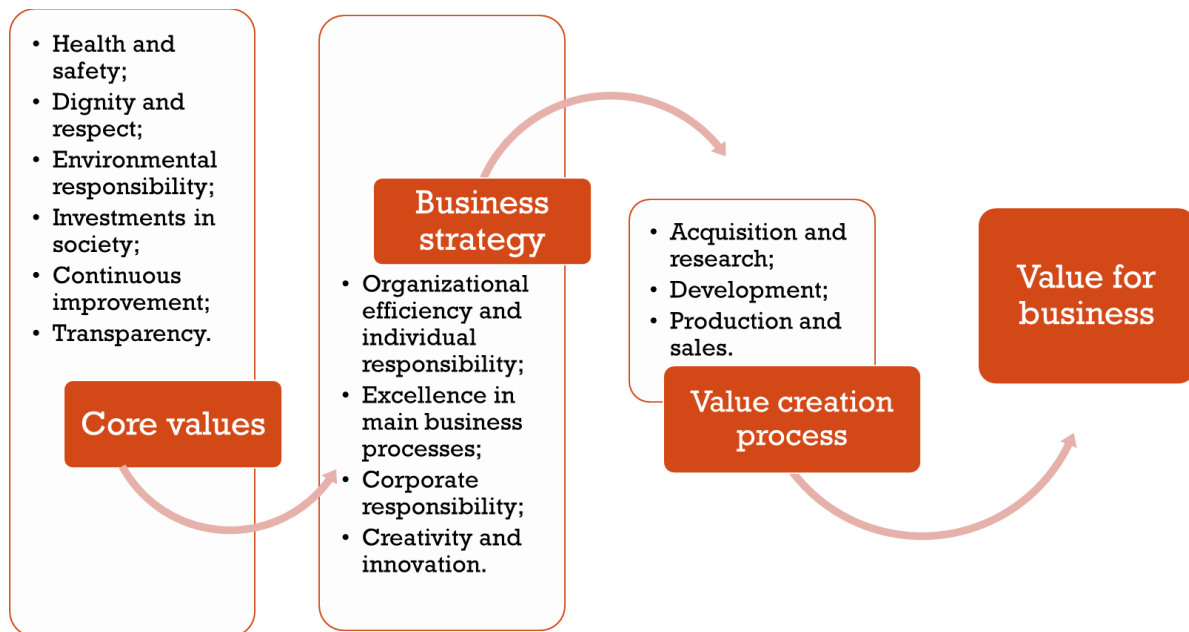


Fig. 2. Business model, creating value for the company in international business activity

Source: author's development

Organizational efficiency and individual responsibility is a program introduced to create such organization and a work environment in which each employee willingly gives the best of himself so that all employees together can achieve the goals and objectives they have set. First of all, it is necessary to provide such organizational structures that meet the set goals, and then to ensure that each employee is aware of their responsibilities and powers.

In order to achieve the *excellence in the main business processes*, an operational model is created, based on the best practices and composed of four key components, which together ensure the achievement of better and better results through the closed cycle of "Planning-Implementation-Verification-Action". The model is implemented in stages: a process of work management, a process of analysis and improvement and a process of integrated planning.

A project management framework based on best practices in the field shall be applied, as well as a model for successful project execution concerning

all company's projects of strategic importance. Projects go through a phase-by-phase review and evaluation to ensure that they meet the standards, that the relevant risks are identified and managed and that consistency with the company's strategic objectives is achieved.

Corporate responsibility needs to be a major commitment of the company. The company must find ways to work more responsibly, demonstrating its social and environmental responsibility credibly and consistently. There is a symbiosis between the way a business develops and how it demonstrates social and environmental responsibility. These aspects cannot be managed separately.

The responsible behavior of a company is expressed in a number of aspects, including maintaining stable relationships with stakeholders and minimizing environmental damage. It also means that the company guarantees that its employees receive good treatment, that their health and safety at work is secured, and that it finds ways to build sustainable local communities which continue to thrive long after the company has ceased its activity in the region.

Innovation and creativity in the work process must be developed, promoted in an appropriate commercial form and applied in the industry in order to transform the value chain in this sector. An example of innovation that is part of a company's workflow is the real-time monitoring and control. This ensures constant access to up-to-date information, which allows more informed and good decisions. It is necessary to continuously change the way work is being done in order to create a coherent and efficient work process, using modern technologies whenever possible. A special framework for innovation processes in the company shall be developed to encourage all employees to look for ways to be innovative, while at the same time work-related risks are being mitigated.

The most important and fundamental level of business systematization is the company's business model. Its success is built on its chosen way of doing international business. The business model determines who the company's

customers are, what it sells to them, what it offers them and where its earnings come from. It is crucial to know the company's business model and understand how it works. It is essential to find the strengths of the business and the company needs to show its uniqueness, which will allow it to take its place in the competitive foreign market. In order for a company to be unique on the market, it must understand very well who its customers are, what problems it solves, what needs it satisfies. Uniqueness arises only against the background of competitors – i.e. it is necessary to know well the competitors, as well as the strengths and weaknesses of the company in comparison with the others.

The main goal of the second level "*Creating a system for effective marketing and sales*" of the methodology for building system processes in companies for successful international business is the company to find and apply the best for its business techniques and systems to attract customers and sales. It is much easier for a company to attract enough customers when it knows who it wants to attract. The desire to buy rises when the customer is sure that the company is the best on the market. That is why at the first level of the methodology: "A business model that creates value for business", the strengths of the company are being sought and the uniqueness of its business is being built. At the second level of the methodology, the company needs to try new sales techniques, to choose the ones that work best in its business sector and to drop out the most ineffective ones.

When building a marketing and sales system in a company conducting international business, a distinction must be made whether the company operates with existing employees or with new ones. In the first case, when working with the current employees, it is required assessment of the limitations in the marketing and sales system, development and implementation of marketing and sales technologies aimed at increasing the efficiency of the marketing and sales system. In the second case, it is an algorithm of work, which includes staffing of

the future marketing and sales department, its training, marketing and sales technologies and sales management technologies.

Building a marketing and sales system in a company conducting international business includes the following steps [2; 3]:

- ❖ Diagnosis and analysis of the activities of the marketing and sales department, i.e. identification of promising, most profitable customer groups and product groups; identification of problem areas in the sales function and cooperation with other departments, analysis of the structure of non-financial document flow; analysis of the existing motivation system; assessment of the professional potential of marketers and salespeople.

- ❖ Development of an international marketing strategy – the strategy is built either on the basis of developing a competitive advantage that is attractive to customers; or on the basis of waging marketing wars with competitors for customers. The first approach is applied if consumer needs unmet by the competitors are found. The second one, if the market is clearly and firmly divided.

- ❖ Optimization of the activity of the marketing and sales department:

- Proposals for the marketing and sales system. The system involves framing standards which support the work of staff when performing target sales volumes. The main components of sales are: optimal organizational structure and number of staff; technology for attracting new customers and care for each customer; individual and group plans and reports, operational plans and reports, budgets; sales standards (divided by customers, by territories, by interaction with target customers, etc.); indicators for successful performance of sales managers; document flow within the department and regulations for interaction with other departments (salesmen-chief-accounting-marketing department); information provision of sales (customer database, its structure for analysis, reporting, interaction

with potential customers; sales analysis, availability and movement of products, competitors); job descriptions of marketing and sales staff.

- Building an optimal system for motivation of marketers/salesmen, i.e. building a system for remuneration of marketers/salesmen (fixed and variable components, their ratio, indicators determining the size of the variable and fixed parts); defining a set of measures for further promotion (punishment) of employees (depending on their performance of the targets, standards and compliance with job descriptions); building a system for moral remuneration of marketers / salesmen, forming a corporate culture of the departments, recommendations for events, increasing the loyalty of employees.

❖ Growth of marketing specialists and sales staff, i.e. assessment of the professional potential of the marketers/salesmen in accordance with the requirements of the position; building a system for attestation of marketing specialists and sales staff; building a system for attestation of new associates; training of employees in the marketing and sales department in accordance with job descriptions and standards; training salesmen to apply effective sales techniques.

❖ Marketing collateral for sales in international business. Here it is done: research of goods/services of the company, its market position, and information about competitors stored in the company; conducting a comparative analysis of the competitive field and identifying the real competitive advantages of the company; developing tactics of the company's behavior in the field of competition; selection of criteria and regular monitoring of the activity of the main competitors on the market; interaction with customers to obtain market information; defining criteria for analysis of the collected market information and defining forms of presentation of the results of the analysis: a template for

presenting market information for the sales department, necessary for working with customers, and a template for market management report, necessary for correcting the behavior of the company on the market, as well as an assessment of the efficiency of the work of the sales and supply departments; analysis of customer behavior, segmentation of customers, identification of target groups, development of standard proposals for target customer groups, as well as structuring information for the sales department and for the company's management.

❖ Development of competitive advantages when carrying out international business activity – identifying the free positions on the market, identifying those needs of customers which are not sufficiently satisfied by competitors; selection of products and services that the company will develop, taking into account the free positions and the resources of the company's competitive advantages; developing a plan for events to promote to customers and to fix in their minds the competitive advantages of the company; defining programs for searching and attracting customers who "buy" the competitive advantages chosen by the company.

❖ Waging marketing wars when doing international business – the market allocation of major competitors from consumer's perspective based on rapid research, identifying the real place of the company among these competitors; determining the position that the company will strive to take over and the type of marketing war to win this position; designing a plan to "disable" competitors and hence attract the "freed-up" customers.

❖ Starting off a regional manager – a set of activities to create a tool for territory management. This is an integral part of the implementation of the sales policy. It includes: defining the territory of responsibility; analysis of the labor market state; job description; search; selection; evaluation; introducing the affiliate to customers; employee motivation system; employee reporting system; equipping the employee's workplace; training; probation; accompaniment.

❖ Building a distribution system, pricing, product and promotional policy in carrying out international business activities – designing distribution strategy, selection of a channel for the target customer group, planning of sales channels; selection and evaluation of the regions for the development of distribution; setting up requirements for the infrastructure and organization of the partners' sales process; setting the pricing policy; setting the assortment policy; designing a system for motivation / discounts for distributors / wholesalers; creating a system for planning the orders of distributors / wholesalers and their reporting; assessment of the prospects of the sales channels; organization of sales of commercial enterprises; recommendations for actions when there are campaigns in the dealer / distribution network and retail trade.

The third level "***Building a system of efficient practices and processes in the company's activities***" of the methodology for building system processes in companies for successful international business is crucial if the company wants to expand its business and move to next higher level. In the most general sense, the business systematization means that successful practices and processes become embedded in the company's activity by turning them into systems. The systematization allows in practice to always achieve the best result in the various activities when doing international business. And this, in turn, allows the company to receive a guaranteed profit and greatly facilitates the entire management of the business.

In any company doing international business, most activities can be automated and systematized to be performed with less resources, effort and time, while avoiding most common mistakes. There are always some routine, repetitive processes that can be "put on autopilot" through some tools and technologies [4]. Most of the processes can in turn be combined into systems which work according to certain rules. The more processes a company integrates into systems, the easier it will be to manage and control its business. And the

more processes are automated [6], the less personal involvement of the entrepreneur will be required by the business. By freeing up his time from routine activities, which will now be carried out much faster and without requiring personal continuous participation by the entrepreneur in them, he will be able to focus on the most important thing in his business – strategic planning.

Main business systems [1] which are directly involved in generating profit in any international business are: customer attraction system; sales system; system for operating with customer base and system for production of products and services. Each one of them may include other systems, for example, a customer attraction system may include a social media customer attraction system, internet marketing system, and so on.

The first process – the process of attracting customers deals with attracting potential customers to the company's business, through marketing. Its main goal is to ensure a stable flow of potential customers. In the second process – the sales process, the first sale is made and the potential customer is turned into a real one. The main purpose of this process is to sell to a customer attracted by the customer attraction system. The third major business process is customer service. This is not about providing services that the company has sold, but it refers to actively working with current customers of the company, with those who have made at least one purchase from the company. In this process, repeat sales are stimulated by working with a customer base. The main goal of this business process is to make as many repeat sales to each customer as possible and thus the company to generate maximum profit for its international business. The fourth business process is the process of producing products and services. The first three processes are primary and the construction of these three systems in each business is done according to general rules. At the same time, the company can sell products or services that either it itself produces, or it can also be an intermediary – to sell products or services produced by other companies. This fourth business process is secondary. The company can always find some

products or services to sell, as long as it knows how to attract customers and has a system in place on how to sell to customers who are already attracted, and how to make repeat sales afterwards. The product and service are now secondary.

Both, the first three levels and the fourth level: "***A strategy for business development on international markets***", of the methodology for building system processes in companies for successful international business, are conditional, because the company never stops its business development since its establishment. The better the entrepreneur understands where he directs his international business, the more right decisions he will make.

There are three main tasks that a business must solve in order to achieve its goals and be successful in foreign markets: to bring profit to the entrepreneur as a business owner; to maintain its existence; to grow (there are two main ways in which the business can grow – the first, to expand the existing model, and the second, to include additional and new areas of activity).

Conclusion. The methodology for building system processes in companies for successful international business described in this study is an attempt to achieve a view of business as a complete system, each process of which works for the progress of the whole business entity. Through it, the company could step by step find its unique place in international markets, attract a sufficient number of customers, make higher sales and get maximum profit.

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