



Company Reform Based on Outsourcing as a Way of Innovative Management

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Abstract. The purpose of this article is to develop a concept of company reform based on outsourcing. The authors consider the problem of implementing the outsourcing process in the activities of modern enterprises. For successful integration of outsourcers into the system of economic relations with customers, it is necessary to ensure a level of organizational and technical development of the enterprise at which the organizational structure, business processes and relationships between departments can be described in detail. The problem also lies in the discrepancy between the customer's expectations and the supplier's capabilities. An additional problem is the lack of a standard scheme for switching to outsourcing. Both the supplier and the customer of outsourcing services must be in constant interaction with each other. In order to find the best way to use outsourcing, the authors developed a step-by-step algorithm for company reform based on outsourcing.

Keywords: Business process · Concept of outsourcing implementation · Outsourcer · Outsourcing · Outsourcing process

1 Introduction

To survive in today's competitive environment, an organization must constantly adapt to its environment, monitor changes in the external environment and change, first of all, in the directions in which it can best realize its capabilities, as well as focus on the business processes that it performs professionally. Organizations that carry out their activities without properly adapting their management system to market requirements, do not withstand competitive conditions and stop their activities. Changes in management and the use of new management methods and tools aimed at improving competitiveness are becoming a key instrument for the strategy of sustainable business development in the conditions of market relations and fierce competition. In the context of globalization, a company can only maintain its position in the market by training its employees and developing new business technologies. If we approach the issue of

outsourcing development from this point of view, suppliers of components and materials can play a key role in developing the customer's competitive advantages. In the conditions of the modern market economy, Russian enterprises are subject to increasingly high requirements from the point of view of management and organization of activities. From the point of view of innovation management, one of the ways is to introduce outsourcing.

In modern society, ideas about the organization of business processes, economic consciousness and the principles of wealth creation are changing. These changes are driven by the use of adaptive manufacturing, cloud technologies, and other technological innovations. This is said by scientists such as Evtodieva, Chernova, Ivanova & Kisteneva [4]. Stephan, Patterson, Kelly & Mair considered innovative management technologies, business models, reserves in management, and the possibility of transferring world technologies to the activities of Russian enterprises [13]. Helfat, Martin analyzed the possibilities of dynamic control in their article. They analyzed and evaluated the management impact on strategic changes, and also reflected the importance of effective management of changes necessary for the company's strategic development [5]. One of the possible strategic directions of the company's development may be the introduction of the outsourcing process in the company's activities in order to improve the quality of provided services and products production of and reduce costs.

2 Methodology

The theoretical and methodological basis of the research is the theses and methods of fundamental and applied sciences in the field of economics, statistics, logistics, commerce, marketing, as well as regulatory documents reflecting the legislative provisions and regulating the activities of transport enterprises. To substantiate the obtained results, the authors used the principles of system and statistical analysis, the basics of logistics modeling, economic and mathematical methods and methods of generalization. The starting point of the theoretical part of the study is the fact that the outsourcing methodology is not something significantly new in economic theory. The core of the modern theory of outsourcing, in the author's opinion, is the general theory of the division of labor. The new economic conditions of development and the penetration of the technological revolution into all spheres of activity, as well as the characteristic provisions of outsourcing, have forced us to take a new look at the well-developed problems of the issue.

The authors interpret outsourcing as a form of economic relations in which the customer concentrates on the main activities and transfers secondary, but functionally necessary business processes and responsibility for their implementation to professional providers on a long-term basis in order to improve the quality, reduce costs and time of these processes, and the performer is engaged in the development and improvement of this type of service. From an economic point of view, it should be noted that the use of outsourcing, according to the authors, is associated with the concept of opportunity costs, or the cost of lost opportunities. In a service economy and a rapidly changing economic environment, it is difficult to choose the best way to use

the available resource. It is necessary to determine the effect of a particular direction of resource use. To make an economic choice, it is necessary to calculate not only future costs, but also the costs of unused opportunities.

The ratio between the volume of own production of resources (works, services) and the volume of resources received from outside is an indicator of the level of development of cooperative relations of this enterprise. It turns out that the relatively new term “outsourcing” is associated with the long-known concepts of “cooperation”, “specialization”, “division of labor”. The concept of “division of labor” in Russian economic science was formed in the paradigm of “labor theory of value”, developed in the works of Karl Marx. This does not prevent us from using this term for explanations of the processes of cooperation and specialization, which, in our opinion, are based on the phenomenon called “outsourcing”. The division of labor is at the heart of the organizational structure of the modern economy, and on a global scale. This phenomenon is really the basis of many economic categories, facts and phenomena.

It is important to note that the concepts of “cooperation”, “specialization”, “outsourcing” go back to the fundamental foundations of the organization of social production. Therefore, it is acceptable to conclude that the study of the essence of outsourcing, the development of organizational design methods on this basis affects the basics of production organization. Consequently, the application of this method in the practice of structural transformations of industrial enterprises can have a significant impact on the efficiency of the country’s economy.

Most Russian companies are potentially ready to disintegrate to a certain extent and transfer their non-core activities to the side. Some of the non-core divisions will become core ones, because they will start earning money, while some will not stand up to competition, and you will be able to buy the same services and products, but of better quality and for less money. Outsourcing is a modern business model that provides additional competitive advantages. The main source of these advantages is the use of reserves (tangible and intangible) of other companies to achieve success in the market. The use of outsourcing in the practice of structural transformations of enterprises can have a significant impact on the efficiency of the country’s economy as a whole.

Despite the rapid development and a number of benefits gained from outsourcing, this relatively new organizational scheme is not yet very common, and many are still cautious about it. Potential customers refer to factors related to trust to the supplier. When outsourcing several important functions at once, there is a real risk of leakage of confidential information and the emergence of a new competitor using the experience and knowledge of the company that ordered the outsourcing.

3 Results

Using outsourcing allows you to focus internal corporate attention on the main goals and objectives of the organization. Secondary functions are delegated to third-party organizations that specialize in performing them. In this case, the customer of outsourcing services can focus its own resources on solving strategic tasks and achieving competitive advantages. In this regard, it is extremely relevant to develop the concept

of company reform based on outsourcing. This approach includes five steps (Fig. 1). The company manager should know which activity is a “candidate” for outsourcing.

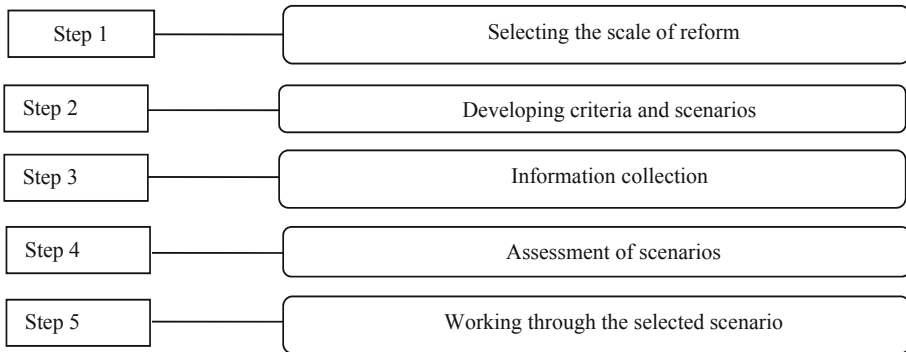


Fig. 1. Reforming the company on the basis of outsourcing as a way of innovation management (Source: authors).

At the first stage, it is necessary to outline the boundaries of the allocated activity, that is, to understand what exactly can be outsourced. Then you need to develop possible scenarios for reforming activities, as well as determine the criteria for evaluating these scenarios. Then information is collected—both within the company and on the external outsourcing market. Based on the assessment of the collected information, management selects the best scenario and develops a business plan for its implementation. It is necessary to consider the indicated stages in more detail.

It should be noted that it is quite difficult to define the boundaries of the reformed activity. For example, the company is faced with the task of improving repair activities for its internal needs. But what is considered such an activity? Does it include, for example, computer repair, or is it considered it software? All such issues should be resolved at the first step.

First of all, it is necessary to find out what works belong to the activity being reformed and what human and material resources are required for this. To determine the object of outsourcing, you must present all the work in detail. In the future this will allow to identify criteria for the evaluation of scenarios. For example, the activity “maintenance and repair of office equipment” includes disassembly, cleaning, adjustment, Troubleshooting, receiving and replacing parts, testing the device, and so on in particular, the “receiving parts” function will reveal such criteria as the waiting time for parts to be repaired.

The definition of resources will be required while evaluating the cost of performing individual functions. For example, knowing the cost of labor for disassembling a faulty printer and the price of consumables, you can determine the cost of disassembly.

At the second stage, it is necessary to determine the criteria by which one or another reform scenario can be evaluated later. There are three main groups of criteria:

- criteria of quality of performance. They show how well the performer does their work. Example: time of arrival of specialists to the customer, total time of repair of one computer,
- the criteria value of the character. Reflect the cash costs of operating or reforming (Example: total cost of business ownership, cost of repairing one piece of equipment),
- performance criteria (social and licensing criteria). Together, they reflect the ability of an external organization to perform its activities (Example: having a license to operate).

At the next stage, information is collected, which then allows you to compare the developed scenarios and choose the best one. For example, questionnaires are mainly used to collect information on the values of criteria included in the quality of performance group. They include information from regulatory documents, expert opinions of users, as well as evaluations of performers. For example, time limits for equipment repairs can be used as regulatory documents.

Values for the right to perform criteria are collected from both performers and managers of the enterprise. Sometimes information related to a block of social criteria is very important. For example, a company that has a repair division may be a city-forming company, so the loss of jobs will cause social tension.

When collecting values based on quality and performance criteria, there are usually no special difficulties. However, it is worth discussing the collection of information for a group of cost criteria in more detail. The main difficulties here are related to inadequate accounting (or lack of it) of the costs of the reformed activity. There are situations when accounting is maintained for the division as a whole, and you need to determine the cost of performing a service provided by the division. In this situation, you have to collect primary data.

In this case, the following algorithm is applied. First, the total labor costs of the division whose staff is involved in providing the service are determined for the period. If employees from different departments are involved in this activity, then the total labor costs are determined.

Secondly, it is determined by the frequency of execution of activities. If services are provided very often, then you can consider the activity continuous and take the labor costs for the period. For example, for round-the-clock security services of an enterprise, the monthly labor costs are taken. If it is possible to calculate the number of implementations for a period (for example, 110 computers were repaired during the quarter), then the labor costs for one-time service provision are taken and its frequency is indicated.

Third, the unit costs are adjusted to match the selected period. For example, initially there is data on the labor costs of production workers for a month, and the number of service implementations for a quarter. In this case, the monthly labor costs are averaged based on available data and are reduced to quarterly, i.e. multiplied by three.

Fourth, the share of labor costs for the provision of services in the total labor costs of the division for the period is calculated. Let's say that the repair department performs other types of work (for example, servicing lathes). Then the labor costs for repairs should be divided into the total labor costs calculated at the first step.

Finally, fifthly, the resulting coefficient is multiplied by the unit's expenditures for the period in monetary terms. This will give an estimate of the cost of continuous service over the period. If you can determine the number of sales over a period, the result is divided by the frequency of service delivery. This way we will get the cost of a single service (for example, the average cost of a single software update).

At the stage of data collection, you need to make a parallel calculation for a situation where the service is provided by a third-party organization. As a rule, this information is collected in the course of a tender for the implementation of the reformed activity or through marketing research.

Next, you need to compare the scenarios based on the values of the criteria calculated in the previous step. Scenarios are evaluated using a specific algorithm. Expert assessments are used as a decision-making tool. To do this, an expert commission is created for each type of activity. For example, it can include: users of equipment, employees of the department that repairs equipment, employees of current and planned repair services.

The expert group should make a decision on how significant each criterion is for evaluating scenarios. The significance of the criterion is indicated in points, for example, from 0 (the criterion should not be taken into account when evaluating the scenario) to 5 (the criterion is very important to take into account). You also need to conduct a local scenario assessment, i.e. an assessment based on the value of a single criterion. It is given in points from 1 (minimum compliance with the criteria) to 5 (maximum compliance).

Despite the fact that the rational scenario has a better estimate, it is useful to analyze the obtained integral estimates of the development of activities for all scenarios. This is done in order to finally make sure that the choice is correct or to eliminate misunderstandings that may have arisen as a result of the "mathematical" approach to decision-making. Based on the results of the analysis, a final decision is made on the scenario for reforming the activity. At the final stage, you need to prepare a business plan for moving to the selected scenario. The scenario is being specified. For example, if the "outsourcing" scenario is selected, the "service level agreement" document is prepared. It will be based on the values of the criteria collected in the third step. The organizational structure and number of employees of the customer's service in the consumer company is also determined.

4 Discussion

There are several sides of the outsourcing process. Customer is a company that is ready to purchase outsourcing services and outsourcer-a company that offers these types of services. One of the most common types of outsourcing is IT outsourcing. Researchers such as Yakhneeva, Agafonova, Fedorenko, Shvetsova & Filatova consider the collaboration between the software manufacturer and the customer as a kind of strategic game for two players [14]. The features of information and communication technology outsourcing are described by Davydova [3].

The client must trust the outsourcing company. I must be sure of her actions. Agafonova, Yakhneeva & Nikitina in their works speak about the importance of

information openness and transparency of companies, as well as about corporate social responsibility, which affects the effectiveness of business development. Agafonova, Yakhneeva & Nikitina in their work pay attention to the importance of transparency of companies, as well as corporate social responsibility, which affects the efficiency of business development [1]. The authors consider the possibility of outsourcing in the field of logistics to be relevant at the moment.

In their article Sosunova, Sivaks, Rakhmatullina, Starun & Iskoskov note that from the point of view of logistics optimization of the service in order to obtain a better product or service, as well as optimization of financial costs, it is advisable to outsource part of the technological process or operations for customer service to specialized companies [12]. Logistics outsourcing or outsourcing in the field of logistics involves the use of a logistics provider in the company's activities. Shalamay and Klochko in their article describe how to choose the best logistics operator [10]. The essence and features of outsourcing of logistics functions and business processes are described in the article by Zayats, Kozlov, and Vakulich [15]. Kornelyuk, Pavlovskaya, and Vakulich, studied and described the reasons for logistics outsourcing related to internal business processes in the company and determining its effectiveness [9].

Sosunova, Astafieva, Yudakova and Petrova considered issues and problems of planning logistics activities in the supply chain. Each participant in the supply chain is responsible for their own volume of work [11]. Kalashnikov, Yudakov, Rakhmatullina, Sivaks, and Permyakova reflected the trends of the logistics services market, the constant growth of competition in this area. The competitiveness of enterprises is associated with improving the quality of services provided [6]. Kirillova, Korzhova, Mukhametzyanova & Banartseva in their work reflect that the assessment of the quality of customer service is one of the indicators of the company's performance [7]. The main tool for improving the quality of transport services Klimova and Semenova called the requirements of the transport strategy of the Russian Federation [8]. The problems of logistics outsourcing and taking into account the industry specifics of the business when making a decision about outsourcing are described in the article by Barkova [2]. Russian companies have significant opportunities to conduct business based on the systematic use of outsourcing. The use of outsourcing serves as a methodological principle for the necessary transformation of the management of Russian companies in the context of increasing competition and the development of the processes of globalization of the world economy.

5 Conclusion

The presented approach allows us to work out in detail the problem of separating non-core activities from the company. This is achieved by applying several criteria for evaluating scenarios at once. In addition, this concept provides a balance of decision-making methods: along with a "hard" mathematical algorithm, "soft" expert evaluation methods are used. The author presented the concept of step-by-step organization reform based on outsourcing as a method of innovative management. This reform includes five main stages, each of which is significant in terms of better transition of the enterprise to the next stage. Properly conducted information collection, interim evaluations,

selection of criteria and other factors are very important for the effective use of outsourcing in the enterprise. This approach is not tied to any particular type of activity, service, or business process. It is universal and can be used in any industry. It should also be noted that this method can be used both for outsourcing a single service, and for reforming the entire direction of the company's activities.

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