



ENTREPRENEURSHIP

DESIGNING BUSINESS PROCESSES LOCATION, LAYOUT,
OPERATION, PLANNING & CONTROL; PREPARATION OF
PROJECT REPORT

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Designing Business Processes

Meaning

A **business process** is a set of logically related activities performed to achieve a specific organizational goal (e.g., order fulfillment, production, customer service).

Objectives of Business Process Design

- Improve efficiency and productivity
- Reduce cost and cycle time
- Improve quality and customer satisfaction
- Ensure flexibility and scalability
- Align operations with business strategy

Steps in Designing Business Processes

Identify the process

- Core processes (production, sales)
- Support processes (HR, accounting)

Define process objectives

- Cost, quality, speed, flexibility

Map the process

- Flowcharts, process maps, value stream mapping

Analyze the process

- Bottlenecks, redundancies, delays

Redesign / improve

- Simplification, automation, elimination of non-value activities

Implement and monitor

- KPIs, feedback, continuous improvement

Types of Business Processes

- **Core processes** – Directly create value (manufacturing, service delivery)
- **Support processes** – Enable core processes (IT, procurement)
- **Management processes** – Planning, controlling, decision-making

Process Design Tools

- Flowcharts
- SIPOC (Supplier–Input–Process–Output–Customer)
- Business Process Reengineering (BPR)
- Lean and Six Sigma

Location of Business / Plant Location

Meaning

Plant location refers to the selection of a suitable place for establishing business operations.

Importance

- Influences cost of production and distribution
- Affects access to raw materials and markets
- Impacts availability of labor and infrastructure

Factors Affecting Location Decision

1. Economic Factors

- Cost of land and construction
- Labor cost and availability
- Transportation cost
- Taxes and incentives

2. Technical Factors

- Availability of raw materials
- Power and water supply
- Waste disposal facilities

3. Market Factors

- Proximity to customers
- Demand potential
- Distribution channels

4. Social & Environmental Factors

- Climate conditions
- Local laws and regulations
- Environmental impact

5. Government Policies

- Industrial policies
- SEZ benefits
- Licensing requirements

Plant Layout

Meaning

Plant layout is the physical arrangement of machines, equipment, workers, and services within a factory.

Objectives of Good Plant Layout

- Smooth flow of materials
- Minimum handling cost
- Optimum utilization of space
- Reduced production time
- Improved safety and morale

Types of Plant Layout

1. Product Layout

- Machines arranged in sequence of operations
- Suitable for mass production
- Example: automobile assembly line
- **Advantages**
 - High productivity
 - Low material handling cost
- **Disadvantages**
 - Less flexible
 - High initial investment

2. Process Layout

- Similar machines grouped together
- Suitable for job or batch production

Advantages

- Flexibility
- Lower investment

Disadvantages

- High material handling
- Longer production time

3. Fixed Position Layout

- Product remains stationary
- Used for large projects (ships, buildings)

4. Combination (Hybrid) Layout

- Combination of product and process layout

Operations Planning & Control (OPC)

Meaning

Operations Planning and Control involves **planning, scheduling, and controlling production activities** to ensure efficient use of resources.

Objectives

- Timely delivery of goods
- Optimum utilization of resources
- Cost control
- Quality maintenance

Components of Operations Planning

1. Production Planning

- Deciding what, how much, and when to produce
- Based on demand forecasting

2. Routing

- Determining the path through which work moves
- Sequence of operations

3. Scheduling

- Time allocation for each operation
- Ensures timely completion

4. Dispatching

- Issuing orders to start production
- Authorization to begin work

5. Follow-up (Expediting)

- Monitoring progress
- Corrective action if delays occur

6. Inspection

- Quality control at various stages

Tools Used

- Gantt charts
- PERT / CPM
- ERP and MRP systems

Preparation of Project Report

Meaning

A **project report** is a detailed written document that explains the **technical, financial, commercial, and managerial aspects** of a proposed business project.

Importance of Project Report

- Required for loans and approvals
- Helps in decision-making
- Acts as a roadmap for implementation

Contents / Aspects of a Project Report

1. General Information

- Name and address of the enterprise
- Promoters' background
- Type of organization

2. Nature of Product / Service

- Description of product
- Uses and applications
- Unique features
- Quality standards

3. Market Potential Analysis

- Demand and supply analysis
- Target customers
- Market size and growth
- Competitor analysis
- Pricing strategy

4. Sourcing of Raw Materials

- Availability of raw materials
- Suppliers and location
- Cost and transportation
- Storage requirements

5. Location and Site Analysis

- Reasons for selecting location
- Infrastructure availability
- Transportation facilities

6. Production / Technical Details

- Manufacturing process
- Technology used
- Plant capacity
- Machinery and equipment

7. Size of Investment

- Includes:
- Land and building cost
- Machinery and equipment
- Preliminary and pre-operative expenses
- Working capital requirement

8. Manpower Requirements

- Skilled and unskilled labor
- Managerial staff
- Wage structure

9. Financial Analysis

- Cost of project
- Means of finance
- Profitability projections
- Break-even analysis
- Cash flow statement

10. Implementation Schedule

- Time frame for project execution
- Milestones

11. Risk Analysis

- Market risk
- Technical risk
- Financial risk

12. Social and Environmental Impact

- Employment generation
- Environmental safeguards

Flowchart of Business Process Design

[Identify Process]



[Define Objectives]



[Map the Process]



[Analyze Process]



[Redesign / Improve]



[Implement & Monitor]

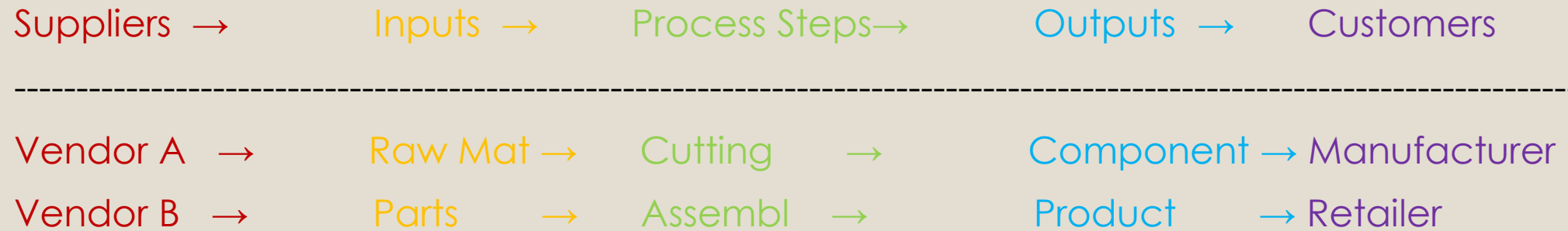
Explanation:

- Start by identifying the process to focus on.
- Define what you want to achieve (cost reduction, speed, quality).
- Map steps using flowcharts or diagrams.
- Analyze bottlenecks or inefficiencies.
- Redesign and improve (simplify, automate).
- Implement and continuously monitor performance.

Plant Layout Types – Diagram

Raw Material → Machine 1 →
Machine 2 → Machine 3 →
Finished Product

SIPOC Diagram Example



Operations Planning & Control (OPC) Flowchart

Forecast Demand



Production Planning



Routing → Scheduling → Dispatching



Monitoring / Follow-up



Inspection & Feedback

Conclusion

Designing efficient business processes, selecting the right location and layout, and effective operations planning are critical for organizational success. A well-prepared project report integrates all these aspects and serves as a foundation for sustainable business development.