# Azərbaycan Respublikası Təhsil Nazirliyi

# Study of the Project Management effective usage for increasing profitability at the service enterprises

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## **Abstract**

The role of different project management techniques to implement projects successfully has been widely established in area such as the planning and control of time ,constant quality. In spite of this the distinction between the project and project management is less than precise. This condition aims to identify the overlap between the definition of the project and project management and to discuss how the confusion between the two may affect their relationship.

It identifies the different individuals involved on the project and project management, together with their objectives, expectations and influences. It demonstrates how a better appreciation of the distinction between the two will bring a higher possibility of project success. The use of project management has become associated with such novel complex problems, which are inevitably called a project. Consequently the success of project management has often been associated with the final outcome of the project. Over time it has been shown that project management and project success are not necessarily directly related. The objectives of both project management and the project are different and the control of time, cost and progress, which are often the project management objectives, should not be confused with measuring project success. This paper attempts to provide a logic for the distinction between project management and the project. Starting from a definition of the two terms, it will outline the factors which affect their success, the individuals involved and their respective orientations and the relationship between these elements.

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#### Introduction

In modern conditions, one of the fastest growing economies is the field of service. The service market is exchange of services, which is the result of non production facilities. Consider the statistics related to the field development. As of the end 2010, 6.6 % of the value added in the trade and service sector of GDP amounted.

At the same time 4296 new enterprises with different forms of ownership were created in the same year, of which 27.7 % were accounted for trade and service are directly related to the increase in social welfare and income of the population . At the end of 2010 , of nominal incomes the population increased by 13.3 % compared 2009 and reached 25.6 million manat . The number of enterprises providing various services is increasing every year .

The service quality system must be prepared in accordance with the relevant standards for each service area. It is main purpose is to constantly improve the quality of consumers needs from the point of view of professional standards and ethics, and to take into account the needs of the society and the environment.

The course consists of three chapters and each chapter contains about forty five pages. Masters work, dissertation, book and google chrome internet research were used in writing the course work.

The purpose of research- is to examine what projects in the service sector and how these projects affect the state budget, the populations living standards, and result obtained from those projects

**The object of research -** The object of the research is the project of the foreign company providing a new place of work and a vacancy for graduates and students.

#### **RESUME**

In everyday life, people serve one another for example when writing a computer, computer runs, internet speeding, affordable prices, uninterrupted delivery of water, gas, light in the home, service workers self-interest clients and so on/ factors generally quality of service should be understood as the expectation that the of user quality of speech is from service. The development of the service sector is a necessary condition to protect the Azerbaijani economy from external influences. It is possible to increase the growth rate by forming the main part of the economy from service sectors, as well as to avoid the crisis of the economy in general due to the sharp hestitations in the production areas.

Integration of the Azerbaijani economy into the world economic space, customs policy in the country's economic security and domestic market protection the role is substantially increased and the socio-economic development of the country further improvement of customs administration as one of the key tools transparency-based system development, entrepreneurs and individuals strengthening the protection of their rights, customs infrastructure modernization and strengthening of material and technical basis construction will be the main priorities of customs policy in 2014-2018.

The last decade in the development of the country's regions to a new level of quality. 2004 in the field of comprehensive development of regions

as a continuation of the purposeful policy started since "The Republic of Azerbaijan

State Program on socio-economic development of regions in 2014-2018 "

was prepared. "

The implemented state programs have played a major role in the development of the regions of the country. As a result of this development, both service and innovation in the industry have led to

# Chapter 1. Services and their tupical features in the condition of Markets

#### 1.1. What is the service and services features

Role of the service has increased in the economy in the last period to a considerable extent. This development is not only with becoming complicated of the production and secure in high-level of the market with everyday essentials connected, at the same time technical progress is connected with science like arise cause of the kind of new activities in the services sphere.

Service (it have been taken from English) is been define as result of the activities of lab our pay any need of the man having with useful effect. But K. Marks has given such definition praise to service: "service is the cost of special consumption. It is created thanks to this labour, it is sold as other commodity that but service is not thing, it iskind of activities. But service is characterized in opinion of the some as like prosses connecting motions it will not be a number of felt between happened in the result of mutual connections of attendant staff of the establishment. Kind of the market of service developing in conformity to the market economy commodity market at the same time has with being to adjoining a few of specific features. And it is direct connected with especially approach treat of the activities of ownership and marketing.

Service market has in general to the following specific features.

- High dynamic in the market processes
- To segment on territory
- High speed of the capital turnover
- Market high sensibleness konyuktur to changing
- Specificity of the forming of the production of the services
- High-level of the stratifying of the services
- Other definity of the results of service activities

Nowadays most of 40 %s, grain direct services are put the area of direct foreign investments in the world. Part of the services is already 70 %s, grain of the developed countries in the gross national product. The number of the persons which at the same time of the persons which work in the service area has increased day by day and 80-90 %s is possible to say and 80-90 %s falls I namely of the growth of the work places created newly to part of the service area. Service sphere trade transport and finance communication and different kind of insurance the mediation activities, including it surrounds circle of very wide activities make correct to employment and work business, There are other classification of the services in the world statistics. (Əhmədov)

- Fraxt (manage of the ships) services shown including airport insurance
- Different kind of transport services
- Tourism services
- Other services

Babayev, I. (2003). The methods of planning project management.

The kind of services	Theirs area		
Production	The works of engineer, Lizing		
	Service to (the) equipment		
Dividers	Trade and transport communication,		
	banks, insurance finance advice		
	properties pl etcs		
Consumption	Condition of home and services		
	connected with holding of the free time		
Social	TV radio, education, medicine culture		
	tourism		

#### Table 1.

#### 1.2. What is the quality of service?

In everyday life, people serve one another for example when writing a computer, computer runs, internet speeding, affordable prices, uninterrupted delivery of water, gas, light in the home, service workers self-interst clients and so on/ factors generally quality of service should be understood as the expectation that the of user quality of speech is from service. If the result is expected, then the sevice is good. If not, this service will be excellent and will continue to be lasting which means the vertification of hopes.

#### Source Ibrahimoğlu, Q. (б.д.). Express online newspaper.

#### 1.3. Development of services in Azerbaijan

The development of the service sector is a necessary condition to protect the Azerbaijani economy from external influences. It is possible to increase the growth rate by forming the main part of the economy from service sectors, as well as to avoid the crisis of the economy in general due to the sharp hestitations in the production areas. Showed changes in the production areas of the economy in 2014-2016. The production areas is a more sensitive area compared to the sevice and its response to external internal risks is acute. These changes are even at a certain level, leading to a crisis in the economy in general.

The situation facing Azerbaijan's economy over the last two years requires us to pay special attention to the development of services. Unlike production areas, the service area has grown despite all the difficulties. The value added in the service sector grew by 7.6 % in 2014 and grew by 4.4 % in 2015. Information and cominication sevices grew by 5.5 % ,retail trade - 2.3 %, paid services to population 0.6 % tourism -1.8%. However, the production area has dropped by about 4 %.

It should be noted that the increase in the share of the service sector in the economy is a change observed in most countries. There are two main reasons for this

- 1) Increasing the income of the people will also increase the money spent on services, along with the physical goods
- 2) The expansion of information and communication technologies capabilities in the service sector and thevalue of the service sector.

The service sector, covering various areas, is also considered to be one of the country's key development and well - being. The world Bank has once again confirmed that there is a link between the level of social services and the service sector at a time when the rating 0f 132 countries has been rated at the level of well - being. It turns out that in the service sector 60-75 % of able bodies population works. In the service area ,as a rule more jobs are created than production areas. Today, in most leading countries, service sector –s share in the Gross Domestic Product is more than 55-60%. GDP in the USA 74, in Japan 59 %, Germany 69.1%, Turkey 66 %, France 77.3 % 65.6% in Austria, 58.7 % in Russia, 68.4 % in Ukraine, 55% in Kazakhstan, etc.

One of the main reasons for the development of the service sector is the development of entrepreneurship. According to official data 53% of the list companies operating in Azerbaijan operate on the service sector. The majority of service business are engaged in the provision of trade and repair of vehicles. (Ibrahimoğlu)

Most of the individual enterpreneurs are business owners.

#### 1.4. The Project Control Process

To set up an effective and efficient project control structure only a few basic steps are required:

Setting a baseline plan

Measuring progress and performance

Comparing plan against actual

Corrective action

The baseline plan provides the elements for measuring performance. It is derived durations information found in the work breakdown structure database and time - sequence data from the network and resource scheduling decision. From the WBS the project resource schedule is used to- time - phase all work, resource and budget into baseline plan.

Basically there are two forms of measuring progress and performance. The relatively easy and obvious way is the quantities measurements of time and budget. These figures can be implemented easily into the integrated information system parallel one has to observe the qualitative measures such as a meeting customer technical specification and product function. They are most frequently determined by on site - inspections or actual use

The probably biggest problem with plans is: They seldom materialize as expected. Therefore it is crucial to compare plan against actual, measured deviations and to determine if action is necessary. Periodic monitoring and measuring of the status of the project allow for comparisons of actual versus expected plans. While the projects problems are small, and detected early, it is possible to solve them with a minimum of effort.

# Source Project Management Olaf Passenheim . 2009 Olaf passenheim and Ventus publishing ApS

# Chapter 2.Project management in various service areas in Azerbaijan 2.1. Direction of project management improvment in the banking sector

There is a special tendency in the Azerbaijani market in 2015.Larger businesses banks and businesses have become increasingly aware of one of the most important factors, such as the way to stay in the market "to properly plan a business strategy". This issue raised them with great difficulty. As the preparation of the strategy is a complex process, it has been inevitable that it would be inevitable that all the structural units of the organization should be re- examined, conduct new analyzes and transform

the organization into a more competitive and economical regime for the necessary structure.

Since a business strategy is planning a period of more 2-3 years, a transformation - oriented enterprise resembles a caravan lost in the wilderness, but more accurate orientation and more experienced parlors can convey this convoy to the intended destination. Experienced professionals are also experienced parlors. They need to know where to go for the journey and be able to get the office in the most optimal way.

We can use the transformation period as acycle of innovation, so it is important to have a clearer understanding of the present and future model so that this change is positive. To prepare a new local project plan to eliminate deficiencies, and to better organize the implementation of these projects, project portfolios and the creation of the Project Management Office makes the transformation of the enterprise more objective and accessible. Thus the implementation of the project portfolio depends on the direct business strategy.

Since banks have a larger infrastructure than small and medium - sized enterpises, the transformation process should take place more intensely. In the modern environment, the areas where larger business strategies are to be strengthened and become more innovative are the following:

- 1.Optimization of business processes Investigation of different types of income generating business procedures and the prevention of problems and complaints that may arise at the time.
- 2.Marketing transformation whether it s new concept or design any designs (logo ,flyer , etc ) and design of any branch and corporate events , social responsibility projects the development of the banks image and rating in accordance with a single strategy and concept in such works plays one of the main roles in the increase .
- 3. IT infrastructure or banking system transformation this process also plays a major role in increasing the image, operational efficiency or increasing the image, operational efficiency or functionality of the bank even though it requires high financial costs. Whether it is information security or providing new systems or software to improve the functionality and quality of operations, this should be the main goal in this process.

- 4.Preparation and presentation of new bank products one of the most up-to-date and demand adjusted jobs in retail business is the provision of new products to the customer. This area should be more sensitive to the financial market and be able to use the demand in a timely manner.
- 5.Customer Satisfaction Transformation It is important for customers to get feedback or to carefully review complaint suggestions to keep track of the customer service process and to attract customers to ensure the comfort or smile of customers.

The strategy of incorporating unmanaged business in the competition is defeated in competition on the market, and enterprises with the right strategies are able to achieve strategic success by leaving the opponents a few steps.

Key elements of Innovation Project Management in services . (б.д.).

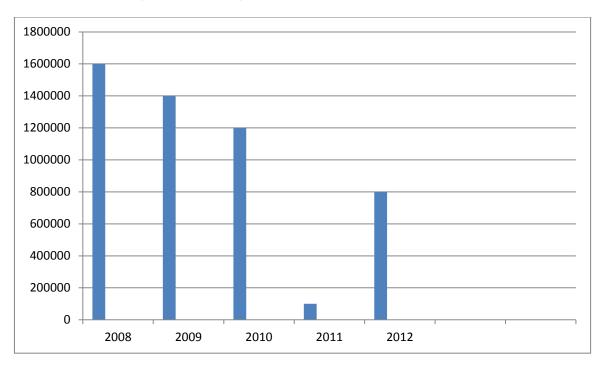
# 2.2. Increasing the effectiveness of projects implemented in the education sphere

For the first time in 1993, the introduction of bi-lateral education in the country (bachelor and master s degree ) has begun .In the current year , universities have taken a bachelor s degree. For the first time in 2005, the Master s degree program was implemented by the SSAC as a test. Previously , the students were enrolled in this program by universities.

The State Program on the Education of Azerbaijani Youth in the Republic of Armenia in 2007-2015 is aimed at sudyin at different universities every year , with thousands of young people going abroad to pursue their education abroad. This process takes place in different ways. Either at personal expense or by external scholarship programs or by state program. The main purpose of this program is to educate young people from around the world and to train educated people.

The state Program on Education of Azerbaijani Young People in the Republic of Azerbaijani in 2007-2015 provides for training of Azerbaijani youth in the USA, Europe and the other countries It is obvious that young people are studying at universities in Turkey Russian and China.

Funding sources of the State Program are mainly funded from the State Oil Fund by means of deducations from the state budget, loans received from international organizations, grants and the other founds



#### Graphic 1.

Various state programs and projects are being implemented in the reform of education sector. Since 2005, the following state programs have been launched through the Minstry of education State programs in this direction are as follows.

- State Program on Education of Azerbaijani youth in foreign countries for 2007-2015
- The state program on the Transfer of Children from Families to children from families and alternative state programs about take care of childrens
- Program for providing general education schools with information and communication technologies in AR (2005-2007)
- State Program on informatization of the Education System in the Republic of Azerbaijan in 2008-2012
- State program for the development of technical and vocational education in the Republic of Azerbaijan in 2007-2012
- State program on reforms in higher education in the AR 2009-2013

Approved by the Presidental Degree of 24 October 2013. The main purpose of the strategy is to gradually solve existing problems in education

in Azerbaijan and bring the current level of education to international standards. Many problems in the field of education and disproportionate education strategy are highlighted. Thus, the adopted strategy states that only 1.2% of the students studying the country s higher education schools have chosen agricultural specialities. However, in our country this sector needs professional staff.

On the other hand 67% of young people aged 25-34 are in the public sector.

Strategies to Solve the Problems there are five major measures to create a competitive education system, which is equipped with modern infrastructure with constantly developing professional teachers and education managers in Azerbaijani. These were the following:

- 1) Creating skills based learning content
- 2) Individual characteristics of trainees using innovative teaching methods and technologies the effect and understanding of the content of education, and the formation of highly qualified staff
- 3) State and society, state business partnhership based education and its new management system
- 4) Responsibility, transparency and efficiency should be considered as the key criteria for a new management system
- 5) Establishment of educational inrfasturcture covering lifelong learning
- 6) Creation of new financing mechanism based on sustainable, at the same time diversified sources of education. In this direction the following measures are planned to be implemented
- 1) Creating self directed educational content based on skills
- 2) Formation of highly qualified education that ensures efficient learning of content through innovative training methods and technology that takes into account the individual characteristics of trainess
- 3) Formation of state social and public business based governance system with responsive transparent and efficient regulatory mechanism for education outcomes

#### Source Scribd. (б.д.). Project management in service sector

#### 2.3. Management of project in the tourism sector

World experience shows that tourism is one of 30% of the state and populations income in developed regions due tourism activity. Tourism as a

social area is must - have for the service sector. Social factors in the development of tourism are measured by demographic and educational levels . The field structure of tourism , its regional location scheme , conseptual basis of the social infrastructure.

In general, tourism is a special area of tourism services, and the development of this area has been widespread since the second half of the xx - century. The wide range of opportunities available in the tourism sector in Azerbaijan creates conditions for cooperation of our country with the development of tourism with a number of international organizations. Among these international organizations are the names of the World Tourism Organization, the organization of Islamic Confrence, GUAM the Coomonwealth of independent States and other organizations.

At the same time, Azerbaijan has signed intergovernmental agreements with Turkey, Poland, Italy, Georgia, Ukraine, Romania, Belarus, Greece, Moldova, Qatar and other countries with rich experience in tourism At present, discussions are under way with other countries. It should be noted that development of different types of tourism in our country will give a new impetus to the education of the personal working in the field of tourism. "The state Program on tourism development in the Republic of Azerbaijan for 2007-2015" has been adopted.

Over the past 10 years ,GDP per capita has grown 7.5 times and the state budget has increased 21 times .Over the years , the average annual economic growth rate was 15.6 % . As a result of the reform and balanced development of the social welfare ,Azerbaijan has successfully completed transition from a socioeconomic form to another , among the countries of the potsovet. As you can see from the table below, annual growth of basic indicators of tourism enterprises is observed. This means the development of tourism in our republic

	2010	2011	2012	2013	2014
The number of enterprises	126	141	170	197	218
The nuber of working(outsiders and substitutes including)	1418	1541	1730	1729	1794
The working who work in tourism sector	1159	1279	1473	1515	1567
Income earned by the entity	19065.3	22634.8	27121.5	29600.9	31107.1
Income earns from tourizm sector	14755.5	17804.7	21597.1	24823.6	26031.0

Travel blanks sold to the					
people	34121	42583	62866	65448	66233
Azerbaijan citiziens who traveled across country number	3385	4045	5121	7078	6990
Number of Azerbaijani citiziens to travel abroad	3706	4284	5367	4599	4334
The value of the blanks sold to the public	25848.7	29316.6	40693.2	42893.2	44820.3
The amount required for travel throughout the country	1708.4	2021.1	3147.4	2747.9	2764.0
The amount neede for travel abroad	19750.2	22583.4	33652.3	36991.0	39708.5
In the territory of Azerbaijan the amount required for travel by foreigners	4390.2	4712.1	3893.4	3153.4	2347.8
The number of tourists accepted and sent	69923	83620	101431	91961	92305

Table 2.

The source (The development tourism sector service in Azerbaijan)

The essence of tourism, its socio-economic essence is explained by the system of statistical and dynamic indicators. From the point of view of the system's understanding and analysis, the current state of tourism is measured by the number of tourists visiting the republic and leaving the country in different forms os use of local tourists as well as objects that create tourist infrastructure and their quality

Sustainable and balanced dynamics of terrtorial and territorial problems of socio- economic development of the Azerbaijani economy can be attributed to economic turnover on the basis of alternative projects based on the efficient use of natural , human and geographical resources of the republic and market relations.

Creating an enterpreneurial environment to share existing risks in the development of tourism, and the fact that every enterprenuer is attemting to market for different tourist contiguents is an organizational and methodological component of transformation.

Therefore, the analysis of tourism segments and tourism motives today can be an important basis for planning the final oucome of the assessment of structural changes in its formation and dynamics. The objective of the tourism attempts as well as the possible change in demand, as measured by the physiological demand, are associated with the improvement of the populations consumption behaviour, family and womens gender development, as well as promisin intiatives. Therefore, the methodology of analysis is not only on existing statistical materials, but also on constructive.

The change in the price of tourism products depends on the cost structure and the change in the quality of tourist facilities. Thus, the transitions to a complex of 5 star hotels with a full range of services of the hotel economy is accompained by an increase in its price, with the complex of recreation, tratement and sports complexes being at the tourist facilities. Although it may be possible to lower the price in competitive environments, the change in world prices as a whole improves the value of the tourist services sales price.

The development of tourism in the country and the creation of tourism infrastructure are mainly based on the construction of hotels and similar facilities. The state program on the development of Tourism in the Republic of Azerbaijani for 2002-2005 has been approved by the order of the president of the Respublic of Azerbaijan on the financing of the development of tourism infrastructure in the regulations on the use of the national fund for the Support of entrepreuneurship of the Respublic of Azerbaijan. The purpose of the state program is to improve the normative legal framework, to organize tourism activities, to manage its development, to take marketing measures, to provide tourist services to the international standards and to ensure the implementation of tourism arrangements.

While tourism has been widely accepted as one of the most widespread and most massive forms of recreation for several years now, this area has become more global. Thus, tourism is now considered as a rich source of economic development, For example, Turkey earned 35.000000 \$\\$ in tourism last year. Spain, France, and developed countries have also increased their tourism revenues by 8-10 %. Of course, there are many areas where Azerbaijan, which is rich in nature and climate, will also gain national tourism. Thus, there are several State programs signed by President Ilham Aliyev over the past 10 years. The state program for the development of tourism in the respublic of Azerbaijan for 2008-2016 has been prepared.

Over the past years special attention has been paid to the development of tourism. Thanks to this, the construction of the most modern hotels and boarding houses in our regions has accelerated. The number of 4 and 5 star hotels in Gabala, Shaki, Ismayilli, Shamaki, Balakan and other regions is constantly increasing. Note that september 27 is marked as "World Tourism Day" in Azerbaijan. During this period, tourism companies Domestic Tourism Fair also held.

However , there are also suggestions and suggestions . Here hotels are crowded and their number is high . On the other hand , if discounts are available , it would be more appropriate for the citiziens of the country , especially when compared to foreign citiziens . It is necessary to give priority to tourist entertainment objects attracting more people and delicious dishes of national cuisine . At the same time people who have been away from rural life for decades , or even from the largest cities in Europe , need to live meaningful rural lives. Thus horses in tourist destinations , are flights with ballons in Turkey , excursions to archaeological sites , dating to old people their lifestyle can be a real innovation for other tourist .

Tourism and tourism service, such as the type of activity, promotes the efficient use of leisure time, excursion, organization of travel and touristic routes as well as enhancing the use of other types or tourists. Tourism is an independent area of the national economy that identifies specific aspects and content of labor. In general, tourism services are the result of the tourism enterprises activity to meet the needs of tourists.

The functional structure of the tourism service consist of:

- services provided by accommodation providers (hotel, boarding house, sanatorium)
- Turists may also be accommodated in tents, car trailers, caravans, boats, trains, yachts etc at private houses and home rented from indigenus people.
- On different types and movements of passengers in the country of destination

Source The development tourism sector service in Azerbaijan.

#### 2.4. The Financial Sector

The financial sector plays a crucial role in the economy and evidence shows that liberalization can improve financial sector performance, with knock - on

benefits for the rest of the economy. However, there are also risks associated with liberalization, for in a relation to financial stability, and acces to financial services.

#### The role of the financial sector, and benefits of market opening

Evidence suggests that the financial sector plays a crucial role in the economy underpinning private sector development, facilitating investment in business technology, and training and contributing to productivity, competitiveness and growth Acess to financial services also contributes directly to poverty and to better manage the risks they face. Evidence also shows that opening up the financial sector to trade can singnificantly improve a country's overall financial sector performance, with important knock- on benefits for the rest of the economy. Openness to foreign financial services providers can result in greater efficiency, dynamism and innovation. It can stimulate improvements in domestic banking performance, and has significant potensial benefits for consumers through improved service delivery, and for the economy as a whole through a more efficient allocation of capital

#### The benefits of foreign entry into the banking sector.

Foreign entry is often through acquisition or joint ventures with local banks with a view to restructuring and improving their performance, and can bring significant benefits to the host country. Claessens (2006) describes how the acquisition of the government - owned Agricultural Bank of Mongolia (Khan Bank) by HS securities of Japan in 2003 led to a turn around in financial performance, expansion in its branch network and improvements in outreach and service. Foreign entry may also stimulate innovation, and the provision of new products or better services by both the foreign entrants and local banks. Bonin and Abel (2000) showed that competition from new foreign entrants in Hungary stimulated tha main domestic bank to develop new products and better services for households, such as bank cards and ATMs.

Foreign banks can also use thir international experience to introduce innovations. The World Development Report (2005) cites an example whereby Citibank overcame the lack of credit information on enterprises in many developing countries by introducing a new mechanism for establishing credit worthiness based on estimate of growth prospect in particular industries. Matoo et al (2001) found that countries that were

open to trade financial services achieved growth tares up to 1.2 percentage points higher than other countries over the period 1990-1999.

#### 2.4. Innovation project management

The development of project management and the emergence of new management disciplines are primarily based on the fact that this discipline can be effevtively implemented in every area of human life and work. (Jovanovic, Colic, Gordevic & Mitic 2012). Innovation project management is based on the principles and elements of innovation management and project management, starting from the from the approach where the models of innovation and innovation process, from idea to implementation, can be defined as a specific project category. From a theoretical aspect, innovation management and project management have been developed over time as independent disciplines, and practice has shown that the most effective way of managing the life cycle of innovation is precisely the application of project management .Projects innovation category (IP) stands out , especially in relation to the key features of the first change and the implementation in a particular area - hence, it is the first implementation of the project in the given conditions, which implies a high degree of risk and the impact of creativity in the ideation stage human factorsand ability to change ( filippov & Mooi 2010 Stosic ,2013)

Various innovation classifications can be found, but the most significant is one given in the guidelines for collecting and interpreting innovation data, well-known in innovation field as the Oslo Manual (2005), saying that innovation represents the implantation of new or significantly improved product (goods or service) or process, or a new marketing or organizational method. Generally speaking, every innovation can be seen as a project, bearing in mind that innovation represents series of related actions. Given that, there are four types of innovations projects

- 1.Product /service innovations;
- 2.process innovations
- 3. Organizational innovations;
- 4.marketing innovations

The object of this paper is the identification of the key service innovation project management elements, so the following section will be focused on

services and elements that influence the successful new service development projects. (Key elements of Innovation Project Management in services )

#### Service and service innovations

Services progressively become the drivers of growth and job creation developed economies. The economic importance of services means that the improvement of European living standards probably depend more and more on the productivity of services rather than manufacturing. It is important to notice that all these changes in the service sector have happened due to innovations, i.e. the biggest influence on growth of service economic importance and meeting customer requirements is made by service innovations.

Various definitions of service can be found in the literature. Some of them emphasize service as activities or actions to address specific user requirements, while others describe service as a set of skills that need to be provided in a manner to meet the user requirements. The most cited definition is the one given by Gronroos(1990)

"...an activity or series of more or less intangible nature that normally ,but not necessarily , take place in interactions between the customer and service employees , and/or physical resources or goods and /or systems of the service provider , which are provided as solutions to customer problems"

This definition includes some specific service features that differentiate from traditional products . Services characteristics that are commonly quoted in the literature are

- 1.Intangibility
- 2.heterogeneity
- 3. simultaneity
- 4.perishability,
- 5.lack of tradition,

6.weak protection of intellectual property

• Many scientist claim that services have intangible nature, which means that they consist of ideas and experiences, and do not represent a physical artifact. Therefore, the service innovations are more difficult to protect from competitors. In addition, users feel it much harder to asses

innovations (Leich, Gokduman, & Baaken, 2010) Thes user takes the risk in buying a service because they very often cannot get a guarantee for the nature and quality of services. Studies have shown that the greater intangibility factor is, the higher expectations of customers are (Reinoso, Lersviriyajitt, Khan, Choonthian & Lasiripornwattana, 2009)

- Products have to be produced before they are sold or consumed. As opposed to them, services are mainly produced and consumed at the same time. The users involvement represent the basis in the process of service production (Leich, Gokduman& Baaken 2010). This feature assumes that companies must constantly develop their employees, especially the ones who interact with the customers, because the way they approach to them has a direct impact on the success of both the service and the company (Reinoso, Lersviriyajit, Khan, Choonthian & Laosiripornwattana, 2009)
- Simultaneus production and consumptions of services make the production cycle heterogeneous. Each service is to some extent unique and depends on the one who offers it and on the user. Given these features, an additional challenge for service innovation is to maintain a constant quality control services (leich, Gokduman & Baken 2010) Heterogeneity means that it is unlikely that the delivery of specific service can be growth so the company could plan and control the level of devation of the service provided
- The integrated nature of production and consumptions means that the services perishable. This means that they cannot be produced and kept in the form of stocks in order to be subsequently sold (leich, Gokduman & baaken 2010) Therefore, an important role of the service provider is to coordinate supply and demand (Reinoso Lersiriyajit, Khan, Choonthian & Laosiripornwattana 2009)
- An important issue for service organizations is the lack of relevant experience in the field of innovation. For example , in the financial services sector , organizations are often bureaucratic. The banking sector traditionally has not been significantly innovative key elements of the business are based on clearly defined procedures and processes . However , this situation has changed considerably with the advent of ICT e-banking .
- Intellectual property rights are not protected in the service area, and pose a problem of preserving the original concept and idea. Therefore,

service innovation is frequently focused on back - office funtions , which are more difficult to imitate

#### Chapter 3. Project management in service sector. Quality of Service

#### 3.1. About project management in service sector

#### PROJECT MANAGEMENT IN SERVICE SECTOR

**Project management** is the discipline of planning, organizing, motivating, and controlling resources to achieve specific goals. A project is a temporary endeavor with a defined beginning and end (usually time-constrained, and often constrained by funding or deliverables), undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value.

projectsstands in contrast with business temporary nature of as usual (or operations), which are repetitive, permanent, semi-permanent or functional activities to produce products or services. In practice, the management of these two systems is often quite different, and assuch requires the development of distinct technical skills and managementstrategies. Modern project management process is a powerful transformationalmanagement methodology that has undeniably shown to help individuals andorganizations successfully plan and accomplish many difficult objectives and projects around the management has grown, matured andspread around the world to include a robust set of theories, principles, methodologies, practices, activities, professionals and organizations. Adoption of systematic project management practices in key sectors, such asautomobile, defence, energy, infrastructure, IT-ITES and real estate not only helpattain project objectives but also provide a scope for national savings by loweringproject execution costs. The primary challenge of project management is to achieve all of the project goals and objectives while honouring the preconceived constraints. The primary constraints are scope, time, quality and budget. The secon dary and more ambitious challenge is to optimize the allocation of necessary inputs and integrate them to meet pre-defined objectives. Project management is the way of managing change. Everything from the Olympics to organising a wedding can be considered a project. It describes the activities that meet specific objectives and can be used to introduce or improve new or existing products and services. The definition of a project identifies two of the key features:

### Uniqueness

Projects are separate to business-as-usual activities, requiring people to cometogether temporarily to focus on specific project objectives. As a result, effectiveteamwork is central to successful projects.

#### **Transience**

A project has a specific start and end point and is set up to meet specific objectives, to create a specified result, product or service.

#### 3.1.1. Scope - time, cost and quality

Projects need to be controlled to meet their objectives and deliver benefits. Objectives are defined in terms of expectations of time, cost and quality. Time, cost and quality are called objectives or constraints. For example:

The project must be completed by January 2013 (time).

The project must not spend more than £500,000 (cost).

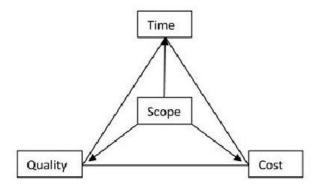
The project should create a searchable and informative website (quality). All the work that has to be done to achieve the time, cost and quality objectives defines the project scope.

The scope can change over time, and it is the project manager's responsibility to ensure the project will still deliver its defined benefits. A project manager must maintain focus on the relative priorities of time, cost and quality. Project management focuses on controlling the introduction of the desired change. This involves:

- Understanding the needs of stakeholders.
- Planning what needs to be done, when, by whom, and to what standards.
- Building and motivating the team.
- Coordinating the work of different people.
- Monitoring work being done.
- Managing any changes to the plan

•

Delivering successful results. There are a number of approaches to managing project activities including lean, interactive, incremental, and phased approaches. Regard less of the methodology employed, careful consideration must be given to the over all project objectives, timeline, and cost, as well as the roles and responsibilities of all participants and stakeholders.



#### Scheme 1.

- Time, cost and quality are called objectives or constraints. For example:
- The project must be completed by January 2013 (time).
- The project must not spend more than £500,000 (cost).
- The project should create a searchable and informative website (quality).

All the work that has to be done to achieve the time, cost and quality objectives defines the project scope. The scope can change over time, and it is the project manager's responsibility to ensure the project will still deliver its defined benefits.

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. $\Box$ Planning what needs to be done, when, by whom, and to what standards.	
☐Building and motivating the team.	
□Coordinating the work of different people.	
☐ Monitoring work being done	
.  □Managing any changes to the plan.	
Delivering successful results	

There are a number of approaches to managing project activities including lean,interactive, incremental, and phased approaches. Regardless of the methodology employed, careful consideration must be given to the overall project objectives, timeline, and cost, as well as the roles and responsibilities of all participants and stakeholders.

#### 3.1.2. The traditional approach

A traditional phased approach identifies a sequence of steps to be completed. In the "traditional approach", five developmental components of a project can be distinguished (four stages plus control):



#### Scheme 2.

Typical development phases of an engineering project

- 1. initiation
- 2. planning and design
- 3. execution and construction
- 4. monitoring and controlling systems
- 5. completion

Not all projects will have every stage, as projects can be terminated before they reach completion. Some projects do not follow a structured planning and/or monitoring process. And some projects will go through steps 2, 3 and 4 multiple times .Many industries use variations of these project stages. For example, when working on a brick-and-mortar design and construction, projects will typically progress through stages like pre-planning, conceptual design, schematic design, design development, construction drawings (or contract documents), and construction administration.

In software development, this approach is often known as the waterfall model, i.e., one series of tasks after another in linear sequence. In software development many organizations have adapted the Rational Unified Process (RUP) to fit this methodology, although RUP does not require or explicitly recommend this practice. Waterfall development works well for small, well defined projects, but often fails in larger projects of undefined and ambiguous nature. The Uncertainty explains some of this as the planning made on the initial phase of the project suffers from a high degree of uncertainty. This becomes especially true as software

development is often the realization of a new or novel product. In projects where requirements have not been finalized and can change, requirements management is used to develop an accurate and complete definition of the behaviour of software that can serve as the basis for software development. While the terms may differ industry, the actual typically to stages common steps to problem solving "defining the problem weighing options, choosing a path, implementation and evaluation

Source Scribd. (б.д.). Project management in service sector

#### 3.2.1.THE PROJECT MANGEMENT SYSTEM

The software system are developed to support the operative and strategic business conduction and to provide the manger with current status and summarized data based on which he /she will be able to make informed decisions. Their creation arises from the need to have an electronic, reliable system in which humans inconsistent approaches, limited calculating storage and modeling capacity, as well as certain errors could be avoided, and which will support the performance of complex activities. At the same time, the progress and results of the activities can be easily communicated through the system to all included parties . NASA Project management tool analysis and recommendations white paper states that "the Project Management tools are used at every project level to organise tasks and track project costs and allocate responsibilities, and plan and track project costs and resources."First questions that comes into mind when recognizing a need for a project management software tools is whether developed from scratch or buy an existing ,commercial one that would be customized to suit the specific needs. The current offer on the markets and the development /customization costs service company are decisive for the decision.

We mention some of the important requirements of a project management tool that should be paid attention to. Their applicability and level sophistication represent evaluation and selection criteria. Our idea behind is that the project management solutions might be quite different from each other and that opens market for consultancy and customization as a service . The number and type of users and the way their cooperation is performed (place and time) should be known, so the sustem capacity that maximum concurrent users and different user types configuration s is estimated. Choosing the right tool has direct impact on the project communication and final success, which is why, as for any other purchase customization right identification of the system, functional nonfunctional requirements as well as business rules has a decisive role for further efficient and effective, usage of the tool. Although it is a challenging phaseat the beginning of the project itself, the right understanding business needs is essential.

The functional recuirements are derived from the processes that should support. States that the need for resource utilization and optimization sets system fynctionality requirements in terms of calculating and presenting resource breakdowns structures, activites duration and interdependence, should be able to provide an updated project plan and forecast. The system should be able to provide an updated project plans and forecasts, where all intedepent calcualation of on - going changes are undertaken, so that the mangers can be aware of the real status and alternative options at any point of time. Functionalities of the system in terms of statistical tools and simulation techniques for estimation and cost control are essential for appropriate cost management. It is very important that those calculations are derived on basis of the business rules that define the clients approach and attitude toward cost. The collaborating functionality importance is stressed by PMI, sat that the project management tools as information distribution tools have to provide the necessary information regarding the to the stakeholders, shown in Figure 5.The inputs and outputs as collaboration aspects asks the system to be flexible enough so that stake holders feedback and the on - going lessons learned and ideas be considered and implemented on time. Good and cab understandable graphical displays of the result, the notifications, reports, presentation functionality that brings additional atc is

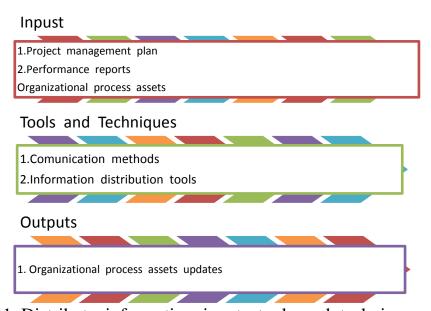


Figure 1. Distribute information inputs tools and techniques and outputs

From the long and detailed list of required technical , performance and reporting requirements defined by the NASA knowledge centre , the following categories can be generalized as must haves for a project management tool evaluations

- Access, collaboration and interoperability multi user access to files, multi - project capability, interface with other systems, interoperability with desktop tools
- Import, export capabilities
- Multi- user linensing and network compatibility
- Easy to use intuitive GUI easy data modification, integration of user defined parameters
- Project scheduling and tracking
- Resource , calendar cost management risk managemet features
- Standard and customized project reports and management reporting etc. In the previous paragraphs the general functions of the tools along the project management processes were mentioned. At this point , more detailed overwie of the functions is seen as useful for providing additional understanding of the functional requirements . Basic functions which are present by every project management tool and are supporting the project management processes are listed below.
  - Definition of project calendar adjusted on the business calendar (working, hours, days)
  - Insertion and edition of tasks and their related cost, resource and duration
  - Task dependiencies and definitions of project milestones
  - Printable project schedu;es in Gantt and network diagram form
  - Critical path identification
  - Insertion and edition of the actual spent time cost and resources)
  - Reporting and analysis , prinr option per task , cost , resource leveling

The project management tools must be flexible enough to respond to the dynamicalyy changing information needs and derived from those , changing requirements

We consider the features and functionalities, based on which third party web services and communities evalutate existing tools as and important input for recognizing the different system requirements, In the following lists ones that have not been named till now will be listed. The criterion refers to broader scope of system descriptions that are needed for procurement decision. Not all features of the system are equally needed in different industries

- Type of project management software: Destkop, client server, web-based, integrated
- Product configuration (users per account, upgrades avialbility)
- Security level and related features
- Pricing: Trial option license form (proporetary, open source)

- Feature: LDAP support ; address book meeting schedule SSL security e- mail notification; mobile version customization fields
- Document management: Document ending, sharing and storage versioning and import
- Communication and collaboration : Wiki forums blog live chat bookmarks phone conferencing web meetings
- Workflow system

As the requirements and the business needs are starting to extend the scope of standalone project management software and some of the offered tools are already, entering by definition in extended classification of the software, the concept of programs and portfolio management are shortly introduced in this section, so that the connection is underlined. The project, programs and portfolio management are present in mature organizations. They differ in their focuses. The role of the project managers in those organizations is changing as well. Argues that the project managers have an important management role and this changed and the senior and line management.

Project management focuses on achieving the project goals, whereas program management connects and manages related projects in company and tries to attain mutual aims. That won't be possible if the projects are managed as independent islands. How a single projects influence the efficiency of the whole portfolio is an interesting resaercg area. The centralized and coordinated management of the projects for multiplication of the positive result was already described as possible connection between BI and project management. In this case BI system would be seen as program and all implemented separate tool and system as separate projects. Further on the portfolio is analysed on higher level, as a Collection of projects and or programs and their group management so that the strategic business objectives could be met. In that sense the portfolio management is a centralized management of one more portfolios which includes identifying prioritizing, authorizing , managing projects, programs and other related work to achieve specific strategic business objectives

Table 3 summarizes the characteristic of project , program and portfolio management

Table 3. Comparative overwie on project , program and portfolio management (adapted from 25)

	PROJECTS	PROGRAMS	PORTFOLIOS
Scope	Projects have defined	Programs have a larger scope and	a business scope
	objectives. Scope is progressively	provide more significant	with the
	elaborated throughout th	benefits	strategic goals of the organization
	project life cycle		· ·
Change	Projects managers expect	The program manager must	
	managers expect change and	manager must expect change	0
	impement	from both inside	
	processes to keep change managed and		in the broad environment
	controlled	manage it	
Mangement	Project managers manage the project team to	Program managers manage the	Portfolio managers may manage or
	meet the project	program staff	coordinate
	objectives .	snd the project	-
		managers thet provide vision and overall	management staff
		leadership	

The concept of on- going project management in the organizations also deals with usage of the sunergy effects. Argues that this approach brings higher benefits and improvements than single project management, where each project is defined to have independent and static beginning and end

As one of the industries in which project management tools are longer used, and where the usage of the system adds high value to business proceeses is the constructionindustry, we present a short analysis of the tools used there. The proffesionals in the construction industry are quite frequently using this type of system so they can give a valuable input for development direction. The argue that information technology development direction. The argue that information technology developments have led to many

changes in the construction industry. The importance derives from the need for fast information exchange between the managers constructors and all parties as usually the project implemented on a location away from the company headquarters.

Following are the findings from a questionnaire directed to project management professionals at the PML . 25% repines rate project resulted in 240 questionnaires out of which 42 from the industry focus. Th focus is set on query from the contruction industry representatives, as they are mostly working in project environment in companies with more than 1000 employes . These profesionals appear to have longest experience with these tools (over 30% with more than 25 years, in comparsion to 13% between the other industries) It is also interesting that they are mostly working on fewer projects as compared to other industries but larger with more than 300 activities which speaks for the system complex capacities.

Table 4. Comparison of PM software package used in consruction versus total survey (adapted from 14)

Number of analytical fatures used (1)	MS project (2)	Primavera(3)	All others (4)	Total Construction (5)
Total construction Total survey	9(24.3%)	19(51.4%)	9(24.3%)	37 (100%)
	102(49%)	44(21.2%)	62(29.8%)	

Five surveys (11.9% of 41) had no responses Thirty - two surveys (13.3% of 240) had no responses

Table 4 prsents diverging trend in the usage of software solutions between the construction and other industries. The data refers to the solution used in the last 12 moths. Primavera project planner (P3) (primavera Inc) represent full- feature, expesive package wherares MS Project is based on its lower price, considered as designed for mass usage. The numbers above show that Primavera is mostly used in the construction industry, due to its extensive

Analytical techniques, whereas all others mostly use MS project as a basic package with fewer techniques. Higher usage of Primavera is also connected with the fact that the construction proffesionals use the system

for reading, entering and editing of data critical path analysis, etc... and that asks for better system capacities and multi-user functionalities

The complexity of project management is that industry is a good example of the emerging potential of project management as a service. Construction of complex syste, and products asks for different capabilities, among which project management and is very rare to find all those capabilities present within one organization . The authors recognize that project- based companies provide the link the technical capabilities of the between construction companies and their business and project processes. The business model of the project management companies is to accomplish and deliver the project for the benefit of the technical party. The specialization approach of the project- based companies enables better performance acros projects

Source The project Management as a service

#### 3.2.2. New service development (NSD) models

The literature on the new service development (NSD) projects covers several development models. The previous NSD models were based on NPD models that were used in the manufacturing industry, and this is the fact that can be seen in some of today's NSD models. However, as noted above, services have certain features that significantly separate them from the products, and therefore demand the optimal development model. Scholars in the field of services have dealt with these differences introducing various research and so far there have been a number of models of new service development. The Donnelly, Berry and Thompson model starts with two initial rounds of new service definition, where the service concept is defined, and a business analysis is conducted for several new service possibilities. In the screening stage the service concept is selected that has the most promising business forecast. At the comprehensive, development and testing stages, prototypes of the service as well as necessary infrastructure are developed and tested. And finally, the introduction phase is related to the service commercialization. The Johnson, Scheuing and Gaida model follows the same progression, with the difference that the service process development takes place in a different stage from that of testing. The Bowers model has a similar progression as well. One thing that all three models lack is an emphasis on resources, and how these resources should be used at each stage of a new service development. Scheuing and Johnson initially presented the idea of combining resources and processes to develop new services, explaining how internal and external company human resources should be utilized. Front-line employees were involved right when the service concept was initially developed. Potential customers were used to design and test services, and marketing programs (Reinoso, Lersviriyajitt, Khan, Choonthian & Laosiripornwattana, 2009).

As opposite to product innovation, service innovation requires a different organization and principles because it is directly linked to the business model that

supports this service, i.e. service can be successful in the long run if there is a sustainable business model that creates value for both consumers and service providers. One of the most comprehensive models which provides a holistic approach to business models is an integrated model consisting of five interdependent stages: a new service concept, design, analysis, development and launching, and three support dimensions: factors that enable the process, new user interface and new service system. This model is actually a compound of several models that have been developed in the past.

When it comes to NSD models, literature proposes a lot of different models and frameworks for new service development projects. The service industry has grown rapidly in the past few years, which consequently make well-structured NSD models necessary for service-oriented companies. These companies must analyze the traits of a successful NSD model and then make efforts in laying a strong foundation to build one. Established processes allow company control during the development process, and more importantly, provide a framework which a company can continually use to create a new service. Many of the proposed models have some limitations which can be overcome by further research and testing. Furthermore, future research can be directed to understanding challenges and opportunities specific to services (characteristics that distinguish them from physical products) and to the development of NSD models.

## 3.2.3. Projects implemented in Azerbaijan in recent years

Establishment of alternative trade unions and socio-economic rights in Azerbaijan

Within the framework of this project, 10 training seminars were organized for leading industry workers and trade union activists and a brochure "How to create a trade union organization" was prepared and published. The project was financed by the US Public Relations Section (USPAS). The project was implemented in 1999

Organization of human rights workshops for human rights activist NGOs

Within the framework of this project 8 workshops were organized for NGO activists. The project was financed by the US Public Relations Section (USPAS). The project was implemented in 1999

Creating Community Based Organizations in Regions

This project was implemented jointly with the Women's Rights Protection Society and the Resource Center for Human Rights. 46 NGOs and Community Based

Organization (CBO) were established in 4 regions of the country training of socioeconomic rights.

This project was funded by the US Embassy in Azerbaijan. Within the scope of the project, 6 titles with total trimmer number of 30,000 were published. A brochure entitled "How to Close Collective Agreements" was also published in 600 copies. Memory and brochures are spread among workers and trade union activists. The project was implemented in 2000

Publication of the book on labor rights

Within the framework of this project, a large volume of questionnaires has been prepared and published for employees and trade union activists in Azerbaijan (in 2000) and Russian (500) languages. The project was financed by the Vestminister Democracy Foundation. The project was implemented in 2001

Ombudsman Institution: How to Apply It

Within the framework of this project, seminars were organized in five regions of Azerbaijan and a book entitled "Ombudsman's Institution: What We Know About It" (circulation 2000)

Published. The project was funded by the Embassy of the United Kingdom of Great Britain and Northern Ireland in Azerbaijan. The project was implemented in 2001

Free legal aid to unsecured part of population in Baku and regions

Within the project, free legal aid has been provided to people in Baku and in more than 3 regions of the country. Within the project, 1,800 people have received legal aid (including defense cases in the courts). The project was funded by the Open Society Institute-Aid Fund. The project was implemented in 2001-2002 and is currently being resumed. At present, the project covers 6 regions of the country.

Oil Funds: Creation, Activity and Development

An International Conference was held in Baku within the framework of the project. The conference was attended by 130 people from the United States, Ukraine, Kazakhstan, Georgia and others. Experts from the countries, representatives of the International Monetary Fund, transnational corporations, ambassadors and representatives of international organizations were represented. made. The book was published in 1000 copies in Azerbaijani and English languages. The project

was funded by the Open Society Institute - Assistance Foundation. The project was implemented in 2002.

Peaceful development of Azerbaijan. Challenges and Opportunities (Oil Industry Report)

Within the project, a report on the social, ecological and legal aspects of total oil operations in Azerbaijan was prepared. Financial Aid for the preparation of the report has been allocated by International Alert. The project was implemented in 2002.

Organization of training seminars for NGO's activists and publication of memories

Within the framework of this project, 4-day training seminars were organized in 6 industrial regions of Azerbaijan. Training seminars are dedicated to labor rights. Workbook on Labor Rights (1000 copies), Wages and Benefits (3000 copies) and 5 titles and 50000 total circulation Contracts for Individual Labor Contracts, Rest and Leisure, Individual Labor Disputes Settlement, Occupational Health and Safety , i, small volume memoranda of women's labor law were prepared and published.

For the first time in Azerbaijan, the social and economic rights website has also been created. The project was funded by the Eurasia Foundation's Delegation from Azerbaijan through the United States Agency for International Development (USAID).

The cooperation of the law-enforcement agencies of the South Caucasian Republics is an effective means of protecting the rights of drivers in the regional roads.

Within the project, informational and legal assistance has been provided to the drivers from Azerbaijan to Georgia or vice versa, together with the "Road, Driving, Justice" partner organization in Georgia. Project America

#### Outcome of projects implemented in the field of service

Integration of the Azerbaijani economy into the world economic space, customs policy in the country's economic security and domestic market protection the role is substantially increased and the socio-economic development of the country further improvement of customs administration as one of the key tools transparency-based system development, entrepreneurs and individuals strengthening the protection of their rights, customs infrastructure modernization

and strengthening of material and technical basis construction will be the main priorities of customs policy in 2014-2018.

To support the role of financial intermediary in the banking system the policy of maintaining liquidity adequately will continue and non-oil ensuring diversification of the economy through sustainable development of the sector in the promotion of regional development, entrepreneurship initiative expanding and reducing poverty on this basis the role of the system will be substantially increased.

In the coming years, a more healthy competitive environment will be created in the banking system, the regions will be fully provided with quality and wide range of banking services, banks credit and investment opportunities will be increased, equal access to banking services market competitive environment will be achieved. Entrepreneurship, which ensures efficient and stable market economy long-term development of the economy, protecting its activities from potential risks by forming an effective national insurance system that generates investment sources the necessary measures will be continued. From the point of view of ensuring long-term economic and social development of the country investment in the economy will play a special role in the investment convenient investment to meet the required volume and quality improvement of the environment is one of the main tasks ahead. For this purpose, following the main directions of state investment policy for 2018:

will set priorities:

- investing in the development of the non-oil sector and the regions;
- in line with the trends of the regional investment policy prioritizing;
- further strengthening the social dimension of investment activity in the country, human capital, investment in infrastructure priority making;
- state investments in nanotechnologies and low-carbon production prioritizing investment;
- priority sectors of the economy, including export and value added
   Attracting local and foreign investment to areas with high specific weight

accelerating stimulating measures for the purpose;

• Involvement of local and foreign investments into the creation of industrial parks making.

Continuous improvement of the business environment for entrepreneurship development in the country as a result of high quality, export-oriented and competitive products production is one of the main priorities of the state's economic development strategy. This is state policy in the field is more than the business environment created for entrepreneurship improvement of state protection and state-entrepreneurship and to improve their relations. Upcoming a number of measures will be undertaken for the development of entrepreneurship in the years to come:

- Further enhancement of the regulatory framework regulating entrepreneurial activity continuation of the improvement work;
- Further institutional mechanisms of state-entrepreneur relations improvements;
- further improvement of financial provision of entrepreneurs in the regions;
- Providing entrepreneurship with production, market and social infrastructure to improve, including the modern market infrastructure mechanisms (financial, banking and insurance systems, stock market, audit, mortgage, leasing, accelerating the development of services such as franchising);
- interactions between small, medium and large enterprises in regions expansion of cooperation, including production and cooperation relations

and the efforts to strengthen. According to the industrialization policy, it is based on local raw materials in the regions the establishment of new and high quality industrial enterprises' activity Implement measures to establish enterprises, industrial neighborhoods will be implemented, innovation-oriented technologies will be stimulated, specialized and general-purpose industrial parks will continue.

The last decade in the development of the country's regions to a new level of quality. 2004 in the field of comprehensive development of regions

as a continuation of the purposeful policy started since "The Republic of Azerbaijan

State Program on socio-economic development of regions in 2014-2018 " was prepared."

The State Program's Action Plan consists of the following sections:

- Measures of national importance,
- Measures on country's economic regions:
- Nakhchivan economic region (Nakhchivan city, Babek, Julfa, Ordubad, Sadarak, Shahbuz, Kangarli, Sharur regions);
- Absheron economic region (Absheron, Khizi districts, Sumgayit city);
- Aran economic region (Agjabedi, Agdash, Beylagan, Barda, Bilasuvar,
   Goychay, Hajigabul, Imishli, Kurdamir, Neftchala, Saatli, Sabirabad, Salyan,
   Ujar, Zardab regions, Shirvan, Mingechevir, Yevlakh);
- Highland Shirvan economic region (Agsu, Ismayilli, Gobustan, Shamakhi regions);
- Ganja-Gazakh economic region (Agstafa, Dashkesen, Gadabay, Goranboy, Goygol, Gazakh, Samukh, Shamkir, Tovuz, Ganja and Naftalan cities);
- Guba-Khachmaz economic region (Shabran, Khachmaz, Guba, Gusar, Siyazan regions);
- Lankaran economic region (Astara, Jalilabad, Lerik, Masalli, Yardimli, Lankaran regions);
- Kalbajar-Lachin economic region1 (Kalbajar, Lachin, Zangilan, Gubadli regions);
- Sheki-Zagatala economic region (Balakan, Gakh, Gabala, Oguz, Zagatala, Sheki regions);
- Yukhari Garabagh economic region1 (Agdam, Tartar, Khojavend, Khojali, Shusha,

Jabrayil, Fuzuli Districts, Khankendi City).

Executors of the State Program are the relevant central and local executive authorities organs. Coordinate its implementation in Economics of the Republic of Azerbaijan and the Ministry of Industry. The State Program is designed for years Implementation of the measures taken to ensure that each year the State Investment Program is drawn up will be made.

Source Socio - economic regions of the Respublic of Azerbaijan for 2014-2018 Development State Program. (б.д.)

3.3.SWOT ANALYSIS IN BP career upstairs for students and new graduate opportunites.

BP Azerbaijan offers graduate opportunities in upstream.

#### **Rewards and benefits**

- Competitive salary
- Share options
- Medical insurance and family support plans
- Retirement savings plan and death and disability coverage
- Educational assistance programme
- Loan support programme
- Employee assistance programme
- Minimum 20 days annual leave
- Company run shuttle bus
- Free lunch

#### Requirements

Specific requirements vary across business areas and disciplines.

- Strong academic background
- Relevant bachelor and/or master's degree

#### **Intern programmes**

We're looking for people to join us in a variety of roles across our business, engineering and science functions.

Every October, we invite students to apply for our paid business, engineering and science internships. Our 10-week structured vacation internship programmes run through the summer and is a great taster of what it's like to work on real projects and deliver real results. Our interns can participate in a global competition called TechnoFest. The competition is designed to give challengers the opportunity to share their projects and ideas with the wider BP community. All the teams demonstrate how their work supports safety and risk management, business impact and technical excellence.

#### **Rewards and benefits**

- A highly competitive salary and bonuses
- Personal development and training
- Four days' leave, plus any public holidays
- A company shuttle bus to remote sites
- Free lunch

#### Requirements

• To apply, you'll need to be in your penultimate year of university.

Below is a step-by-step description of the company admission rules.

- 1. Degree matcher
- 2. Online application form
- 3. Online numerical and verbal test
- 4. English language test
- 5. Personal compenency based interview
- 6. Technical interview
- 7. Assessment centre
- 8. Offer

As you can see, the company has a great role in educating qualified graduates by creating all conditions for graduates. These nuances are positive aspects of the company.

Of course, the first step is that students who have the time to read more of their time at the university are more likely to pass. However, at the next technical interview stage, not only does the university know. For successful transition to technical interviewing, the knowledge gained in the area you are reading is even more important. For this purpose it is more appropriate for students to gain experience in the field before starting their studies.

In my opinion, there is a great burden on universities in this direction. Universities, along with theoretical knowledge, also have to overcome the practical knowledge of students. In this area, the relationships of universities with companies should be further expanded, and it is better for them to assist students in the practice.

On the other hand, special training centers are available to receive large oil companies like BP and Socar. In those classes, students are preparing a course for a test exams. The courses are very simple. It's enough to be a material and college graduate. But the weakness is that the course does not provide any support to students and graduates. For this reason, gaining true knowledge in practical ways plays an important role in your future

**Source www.bp.careers.com** 

## List of abbreviations

USAID - United States Agency for International Development

CBO - Community Based Organization

USPRS- US Public Relations Section

NSD - New service development

USA- United States of America

GDP- Gross Domestic Products

BP – British Petroleum

**RUP-** Rational Unified Process

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