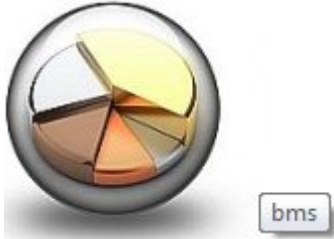BUSINESS & FINANCE

Business Management System (BMS) – Definition and Functional Groups

BY **MARY LEWINSON** · PUBLISHED DECEMBER 9, 2010 · UPDATED MARCH 7, 2012

Within the business management discipline, the term "Business Management System" is used to describe the high-level tools for strategic business planning and implementation. This term gives a description of the foundation for initiating business activities, making critical decisions, introducing business solutions, and employing business tactics. In this article, the definition of Business Management System and the functional groups within its structure are outlined.

BMS Definition

> *Business Management System (acronym "BMS", also known as BM System) is a set of tools for strategic planning and tactical implementation of policies, practices, guidelines, processes and procedures that are used in the development, deployment and execution of business plans and strategies and all associated management activities. Business Management System provides a foundation for successful implementation of both strategic and tactical business decisions regarding current activities, processes, procedures and tasks for the purpose of meeting existing goals and objectives of a profit organization and satisfying customer needs and expectations.*

The major idea of BMS is to provide management staff with tools for planning, monitoring and controlling management activities and measuring business performance, and to implement continual improvement processes within an organization. The *business management system idea* identifies the principles of the successful organization's existence and it's closely linked to business success criteria.

Functional Groups of BMS

Business Management System is a multilevel hierarchy of business solutions that represent how a profit-oriented organization will carry out different functions (like Sales, Purchasing, Marketing, Staffing) to accomplish a task and achieve a goal successfully. The BMS hierarchy consists of the three major top-level functional groups, such as Business Management Strategies, Business Management Tactics and Business Management Implementation. Let's review each of the *business management system groups* in detail.

- **Business Management Strategies.** This high-level group of BMS is dedicated to the identification and planning of the general business management direction which refers to an organization's policies. The direction is a strategy or a set of strategies to determine high-level priorities and preferences of the organization. Policies will be the tools for specifying the strategy and identifying a plan of actions to determine and influence business management decisions, activities and processes. Therefore, *business management policies* are the key tools for identifying the business strategy for profit-oriented organizations and establishing standards and plans for achieving strategic goals and objectives.

- **Business Management Tactics.** This BMS functional group identifies the tactical approaches and techniques to the implementation of the business plans linked to the business strategy and according to the policies. The tactical solutions should be presented during the business decision-making process and put in practice according to the timeframes outlined in the *business management strategy document* (however, additional business schedules can be created and assigned to the tactical implementation practice). Therefore, Business Management Tactics group refers to activities to follow the business standards identified in the policies and to implement business plans and tasks in order to meet prioritized goals and objectives determined in the organization's *business management strategies*.

- **Business Management Implementation.** This functional group of the System includes guidelines and processes for developing business management plans. The guidelines contain practical directions and instructions to show decision makers how to manage the tactical solutions. The processes include procedures and operations to demonstrate performers how to accomplish day-to-day tasks and activities. Therefore, Business Management Implementation group is about directing an organization's staff towards execution of the business solutions and recognition of implementation plans in line with the management tactics.

The top-level groups create a structure of Business Management System. Regardless of an organization's type and priorities, the *business management system structure* will contain the same functional groups. Only the content of each group can vary depending on the organization's industry, products, competitors, market share, etc.