

THE STRATEGIES OF ENTERPRISES DEVELOPMENT**Corina Ana BORCOȘI*****ABSTRACT**

CREATING DEVELOPMENT ENTERPRISES STRATEGIES, MEANS TO THINK ABOUT THEIR FUTURE, BUT ALSO TO TRY TO CONTROL THE FUTURE, TO ACTION ABOUT THE FUTURE. DEVELOPING ENTERPRISES STRATEGY INVOLVES DESIGNING A DESIRED FUTURE AND AN EFFECTIVE WAY TO MAKE IT HAPPEN. BY STRATEGY, IT IS PLAN THE FUTURE ACTION DIRECTIONS OF THE COMPANY, DIRECTIONS DESIGNED TO MEET CERTAIN GOALS.

KEYWORDS: STRATEGY, STRATEGIC MANAGEMENT, ENTERPRISE, ECOSYSTEM ENTREPRENEURIAL

INTRODUCTION

Given the global economic context for the coming period it is necessary to define a new strategic framework to support future development of the large enterprise sector and especially small and medium enterprises sector (SMEs). "Governmental Strategy for SMEs development", update the policy priorities of Romania in the field of SMEs to new developments in Europe. This general framework will have to comply with the policies promoted by the European Commission in the context of the "Europe 2020", which provides priorities as: smart growth (developing an economy based on knowledge and innovation); sustainable growth (promoting a more efficient economy in terms of resource use, greener and more competitive); Inclusive growth (promoting an economy with a high rate of employment, ensuring social and territorial cohesion). Develop a viable national entrepreneurial ecosystem, on 2020, allows interconnected operation of productive chains of SMEs, both locally spread throughout the country and on a regional or global.

Ecosystem entrepreneurial national will be created after the implementation of the development strategy. It will be based on consolidated structure of the sector of SMEs, which will become more numerous, more active economic and competitive than they are currently, capable to contribute to Romania's economic growth in the long term and therefore to social progress and prosperity for all its citizens¹.

At the enterprise level, the development strategy it is essentially a process by which the company management sets the action and long-term results, ensuring a careful formulation, proper implementation and continuous evaluation of the strategy developed.

* Researcher II PhD, „Constantin Brâncuși” University, Târgu-Jiu, Romania

¹ HOTĂRÂRE Nr. 859 din 7 octombrie 2014 privind aprobarea Strategiei guvernamentale pentru dezvoltarea sectorului întreprinderilor mici și mijlocii și îmbunătățirea mediului de afaceri din România - Orizont 2020

The role and importance of developing enterprise strategy is to identify risk factors that may be subject of company during its activities and application of necessary measures to ensure its long life and a more profitable.

1. DEFINITION OF STRATEGIC MANAGEMENT

Strategic management is a complex process of elaboration the future of the company, its long-term evolution, within which occurs strategy formulation, implementation and monitoring-evaluation. Strategic management is a modern form of management of the company, forecasting², based on anticipating change the environment, evaluation of the internal potential of the company and the changes that are necessary in order to harmonize with the environment to achieve the goals and objects set.

Strategic management is based on internal and external factors affecting the company and, from here, are developed and implemented strategies rigorous and clear allowing the company to make the changes likely to occur in the environment that will allow it to survive and adapt. Strategic management helps determine the position currently occupied by the company and the position that is intended to be occupied in the future, which involves, necessarily, analyze and forecast the evolution of all factors that can influence the company. This implies: knowledge competition, market, identifying objectives and developing skills from the company aimed to contribute to the successful implementation of enterprise strategy.

Strategic management is a concept influences, both economic and socio-political. He is considered to be:

- a process that aims to facilitate management of a company and use the strategy to guide the action;
- a form of management to ensure the best combination of environmental requirements, internal and external partners requirements and management objectives;
- process by which managers establish long-term orientation of the company, are proposed specific performance objectives, develop strategies to achieve these objectives, in accordance with external and internal factors, and the implementation of the action plans established.

2. NATIONAL STRATEGY BUSINESS DEVELOPMENT

Today, no national economy cannot operate in a singular, but only interconnected with other regional or global economies. Currently, very few local SMEs do business across borders. These problems, real and substantial, the Romanian economy, the government and stakeholders in strengthening the SMEs sector must find viable solutions and to implement them in the appropriate public policies³.

The overall objective is to create a favorable environment for: business, private initiative and entrepreneurial spirit, stimulate the creation and growth of SMEs and support increased: competitiveness domestic business environment locally, regionally, nationally; the number of SMEs economically active, development of existing businesses and creating new jobs by the end of 2020. It will work to create programs and projects aimed at creating new jobs, the creation of start-ups, supporting innovative SMEs, increasing competitiveness of local SMEs and their ability to export.

The main actions conducive to achieving: the targets outlined above and to the general objective of the strategy are:

² Popa, I. – Management strategic, Editura Economică, București, 2004, p. 95

³ HOTĂRÂRE Nr. 859 din 7 octombrie 2014 privind aprobarea Strategiei guvernamentale pentru dezvoltarea sectorului întreprinderilor mici și mijlocii și îmbunătățirea mediului de afaceri din România - Orizont 2020

- a) support and promoting entrepreneurship through: support to start-ups, focusing on sectors with creative potential, rural areas; supporting the development of entrepreneurial education at all levels; promotion of ethical behavior in business and supporting honest entrepreneurs who want to start a business;
- b) the access to adequate financing SMEs through: support to the creation and development of operational mechanisms and instruments for financing SMEs; supporting the creation and development of networks of private investors; increasing accessibility to micro-credit funds for SMEs in rural areas⁴;
- c) innovative SMEs: encouraging technology transfer; development and management of vocational education; business development consultancy services for SMEs; developing a support system for innovation at national level; encourage economic and technical cooperation of SMEs with large enterprises; supporting the implementation / management system certification;
- d) access to international markets and internationalization of SMEs by: stimulating the use of information technology in business for SMEs; support e-commerce and other forms of online business; strengthening domestic capabilities of SME participation in international trade.
- e) reactivity of government to SMEs needs: stimulating associative forms to increase the bargaining power of SMEs; transposing Community legislation SMEs and ensuring its compliance with internal regulations; improving the legislative framework of the activities of SMEs; improving consultation mechanism SMEs in the making process of the legislation; improving the quality and timeliness required for the creation of good public services and doing business.

3. ENTERPRISE DEVELOPMENT STRATEGY - CASE STUDY: SC ILIANA SRL

a) Principles of enterprise development strategy⁵

The company's development strategy is envisaged, explicitly and implicitly; achieve well-defined goals, specified as mission and objectives. The strategy aims future periods in the life of the company, most often 3-5 years. Hence the high degree of risk and uncertainty associated with. The strategy includes major objectives, main ways of achieving and resources⁶.

Strategy formulation must be a consciously controlled process. The strategy must be unique, explicit, simple and then implemented⁷. The strategy is based on correlative approach of the organization and the environment in which it operates. The strategy envisages organization foreshadowing competitive behavior in the long term, taking into account both company culture and contextual developments. Obtaining a bigger synergies approach is always the goal of developing the strategy.

By the way it is conceived strategy, it is necessary to consider and to favor the deployment of an intense process of organizational learning. Organizational learning takes into account the organization's ability to sense changes in the operating environment and response them.

The strategy involves achieving the following elements:

⁴ HOTĂRÂRE Nr. 859 din 7 octombrie 2014 privind aprobarea Strategiei guvernamentale pentru dezvoltarea sectorului întreprinderilor mici și mijlocii și îmbunătățirea mediului de afaceri din România - Orizont 2020

⁵ www.rove.ro Model integrat de dezvoltare antreprenorială în centrele urbane din trei regiuni: Strategia unei firme: concept, componente, factori de influență, etape de elaborare, 2011

⁶ Nicolescu, O. – Managementul întreprinderilor mici și mijlocii – Ed. Economică, București, 2001, p. 284

⁷ Mintzberg, H. – Ascensiunea și declinul planificării strategice, Editura Publica, București, 2008, p. 54

1. domain;
2. the level and structure of the organization's resources and enhance the skills that contribute to the realization objectives and goals;
3. competitive advantage, aimed unique position that an organization develops in relation to its competitors;
4. synergy, defined as the effects of what is expected, due to the implementation of decisions and the use of resource organization.

In particular, developing an enterprise strategy means following steps: setting the mission of the enterprise, the basic objectives, establish strategic options, resources, deadlines and competitive advantage.

- a) The mission of the enterprise – consist in comprehensive enunciation of the fundamental goals and enunciation of the concept of evolution and activities of the company that make it different from similar businesses.
- b) The fundamental objectives - designate that objective that consider the long horizons, usually 3-5 years and covers all company activities.
- c) The strategic options - define major approaches, with implications for the contents of a considerable part of the firm's activities, on which it is establish how possible and rational fulfillment strategic objectives is.
- d) Resources - are provided in the form of funds and of investment assets. Their sizing is very important economically rational.
- e) Time limits - defines the operationalization of the strategy period, specifying the start moment and the end of major strategic options.
- f) The competitive advantage - means performance by a firm of consumer products and superior service compared to similar offerings of most competitors. Competitive advantage is the component that gives sustainability strategy and long term business competitiveness.

**b) The development strategy of the enterprise - case study:
SC Iliana SRL**

SC Iliana SRL has as main activity, manufacturing of engineered wood products, code CAEN 2020 - Manufacture of wood laminated plywood, hardboard, plywood, wood chip boards, fiber boards, etc⁸. The company is a medium-sized enterprise with a number of 120 employees, of which over half are women. The head office is located in the town of Targu Jiu, Gorj County. Qualified personnel are 70%, with the following specializations: economist-engineer, economist, engineer, carpenter, electrician, fireman, locksmith, car mechanic. The staff worker represents 98% of its workforce.

SC Iliana SRL is equipped with advanced machinery used in the manufacture of windows and doors from wood (numerical control machining centers, grinding machines, multiple circular etc.). The products manufactured are of the highest quality and unique design. Most customers (90%) are external customers (Germany, Austria, and Italy). The company managed to overcome the economic crisis relatively easy, keeping it constant, increasing slightly on an upward direction in terms of annual profit made. Because he wants to prosper increasingly, he has developed the next 5 years development strategy, to strengthen his position on the existing market and help to explore new markets with new products and having a staff augmented. The success of a business and its growth can be given by the vision, objectives and amount company owner⁹.

⁸ Borcoși, C. A. – Metode și tehnici de management aplicate în IMM-uri, Editura Academica Brâncuși, Târgu-Jiu, 2011

⁹ Walters, J. S.– Marea putere a micii afaceri – Ed. Curtea Veche, București, 200

Strategy development SC Iliana SRL for the next five years is as follows:

- A. company mission - maintaining the market share of the company at the highest possible performance;
- B. The fundamental objectives:
 - Increase profits;
 - Increased turnover;
 - Increasing market share;
 - Labor productivity growth;
 - Increasing product quality and services market;
- C. The strategically options -
 - Reengineering;
 - Redesigning the management system;
 - Diversification of production;
 - Assimilation of new products;
 - Entering new markets;
 - Specialization into new fields;
 - Computerization.
- D. Resources - sources of funding for reaching these objectives are: equity, access grants, and loans to banks.
- E. Deadlines
 - for the first year - aims accessing grants for development of new products; use own funds for the sale of existing products in new markets;
 - for the second year - new product development; increasing the number of employees;
 - year three, four, five - keeping upward trend of supply of products and services to market, increased productivity, increased turnover and profit.
- F. Competitive advantage - the company offers products and services of quality to price, sometimes lower than those of competition (because the company acquires equipment with grants, purchases a large amount of raw material at low prices in the period in which price bids low, increase the skills of the workforce, the company implement: the project management, management by objectives, participatory management; increase motivation of employees).

Applying this strategy development next five years, SC Iliana SRL will fulfill the mission that used to develop the strategy, that of maintaining on the market at the highest possible performance levels.

CONCLUSIONS

It is necessary the partnerships between public and private, between internal and external environment for the successful implementation of "Government Strategy for development of small and medium enterprises and improving the business environment in Romania - Horizon 2020 ". Strategic management will help the management to take the best decisions according to the changes that will occur in the business, taking every precaution when exploiting all opportunities and threats. Implementation of strategic management significantly improves the company's financial results, develop and strengthen the company's market position, increase its competitiveness. The analyze reveal that the enterprises which apply strategic management are generally more performant than others, and their staff is better motivated.

REFERENCES

1. **Borcoși, C. A.** – *Metode și tehnici de management aplicate în IMM-uri*, Editura Academica Brâncuși, Târgu-Jiu, 2011
2. **Istocescu, A.** - *Strategia și managementul strategic al organizației. Concepte fundamentale. Aplicații manageriale* – cursuri în format digital
3. **Mintzberg, H.** – *Ascensiunea și declinul planificării strategice*, Editura Publica, București, 2008
4. **Nicolescu, O.** – *Managementul întreprinderilor mici și mijlocii* – Ed. Economică, București, 2001
5. **Popa, I.** – *Management strategic*, Editura Economică, București, 2004
6. **Walters, J. S.**– *Marea putere a micii afaceri* – Ed. Curtea Veche, București, 2006
7. HOTĂRÂRE Nr. 859 din 7 octombrie 2014 privind aprobarea *Strategiei guvernamentale pentru dezvoltarea sectorului întreprinderilor mici și mijlocii și îmbunătățirea mediului de afaceri din România - Orizont 2020*
8. www.rove.ro Model integrat de dezvoltare antreprenorială în centrele urbane din trei regiuni: Strategia unei firme: concept, componente, factori de influență, etape de elaborare, 2011

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.