

## **Business Strategies Promoted by the Small and Medium Enterprises from Romania**

Vladimir-Codrin Ionescu<sup>\*</sup>, Mika Saloheimo<sup>\*\*</sup>

\* The University of Bucharest, 36-46 M. Kogalniceanu Avenue, Bucharest  
e-mail: vladimir-codrin.ionescu@drept.unibuc.ro

\*\* The University of Lapland, PO Box 122, FI - 96101 Rovaniemi, Finland  
e-mail: mika.saloheimo@ulapland.fi

### **Abstract**

*The business strategies promoted by the small and medium enterprises have certain features in accordance with the extent of the organizational processes, with the intensity of the competition shown on the market, as well as with the accentuated dynamism that characterizes this microeconomic sector. In this context, the paper aims at accomplishing a diagnostic analysis of the SMEs from Romania and, based on this, to identify the most adequate types of strategies applicable to small and medium-sized firms. In the final part of the paper we specify several possible courses of action recommended to small and medium enterprises in order to substantiate, develop and implement successful business strategies.*

**Key words:** *small and medium enterprises, strategy, strategic integration, business environment, economic and social efficiency*

### **Introduction**

The efficiency of the small and medium enterprises is subject to substantiation, development and implementation of some coherent and realistic strategies that take into account both their internal potential and complex developments recorded within the business environment. The researches conducted by The National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR) reveals that 45.24% of all investigated companies there have achieved annual plans and policies, 11.94% of the small and medium enterprises there are developing strategies on time horizons ranging between 3 and 5 years, and 44.55% of enterprises there are not planning activities [18].

Also, according to a study conducted at European Union level, only 16.66% of small and medium enterprises develop and apply strategies. The main conclusion which is drawn from the review of these data is that a small number of small and medium enterprises use the strategic approach within the activity they are carrying out.

A series of surveys, studies and articles published within the scientific literature highlights the importance of using the strategies by the small and medium enterprises, as well as the organizational learning role in designing and implementing them successfully [7, 12, 17]. Meanwhile, according to recent studies, an increasing number of small and medium enterprises in the European Union feel the need to develop and implement some business strategies.

In our opinion, the inefficiency of the small and medium-sized companies is also linked, beyond the constraints that exist within the business environment, by the lack of a strategic guidance and a strategy to materialize it. Given the fact that the small and medium enterprises are prevailing throughout the microeconomic sector both in Romania as well as in the main economic areas of the world - the U.S., Japan and European Union - we think that the issues of grounding and developing business strategies within the small and medium enterprises submit a major importance, both in terms of theoretical-methodological and practical-applicative.

## **The Strategic Integration of the Small and Medium Enterprises**

### **The Concept of Strategy**

Over the years there have been several approaches to the concept of strategy. The term is of military origin and it comes from Greek, representing "science and art of conducting a military campaign by combining and using various means on a large-scale with the purpose of winning the advantage within war" [8].

One of the first specialists in management that has stressed the role of the business strategy within the activity of a company was the American teacher PF Drucker, who said that the strategy relates mainly to two factors - the content of the business and the activity of the company. In the paper "Strategy and Structure", A. Chandler believes that the strategy lies in determining on a long-term basis the objectives of an enterprise, in adopting the action courses and in allocating the resources that are necessary to meet the objectives.

Ansoff [1] argues that the strategy captures the essential nature of the economic activity on which a company conducts or is to achieve in the future, identifying four of its components: the couple "product-market", the vector of growth, the competitive advantage and the synergy. Rue and Holland [15] consider that the strategy ensures the harmonization between the environment and the available resources of the company to be used in achieving objectives, delimiting the stages of this approach.

In the paper entitled "Strategy Formation. School of Thought ", Mintzberg [9] presents five definitions of strategy: the perception through which there is designated a default course of action to solve a problem; a draft or a project that consists of a maneuver designed to ensure the overcoming of a competitor, a model which establishes a structure of actions on a behavioral plan; the positioning of the company, the means of identifying the place which it occupies within this environment; perspective involving both the establishment of a position, and the perception of reality that is reflected in its actions which are aiming at market, technology, etc.

M. Porter [14] introduces the term "generic strategy." It lies in specifying the fundamental approach in order to achieve the competitive advantage sought by a company that provides the context of actions taken in each functional area.

A comprehensive definition is that belonging to professors Ovidiu Nicolescu and Ion Verboncu [11] in which the strategy defines the overall of the company's major objectives on a long term, the main ways of achieving them together with the allocated resources in order to achieve the competitive advantage suitable for the organization's mission.

Also, professors Corneliu Russu [16], Eugen Burduş [3], Gheorghe Cârstea [4], Dan Anghel Constantinescu [5] approached the problems of the organization strategy in a series of representative papers.

In the present period, most of the companies are more and more aware of the need for a coherent strategic thinking to enable them to compete on different markets and to quickly and effectively adapt to the unpredictable changes that take place within the business environment [13].

## **Types of Strategies that are Applicable within the Small and Medium Enterprises**

A small and medium company integrates strategically in a particular branch of activity that holds a sustainable competitive position on the market. The strategic integration implies the adoption of a strategy that takes into account both the mutations recorded in the business environment and the development stage of the organization. In the approach to strategically integrate into a competitive environment that is increasingly complex, the small and medium companies may use a variety of strategies during their economic development.

The applicable strategies within the small and medium companies can be grouped into six categories: strategies of entering the market, development strategies, stability strategies, defensive strategies, combined strategies and partnership strategies. The first four types of strategies correspond to the phases that are components of the life-cycle of a small and medium enterprise - launching, development, maturity, and decline.

*The strategies of entering the market* are promoted either by a newly established company or by an enterprise that has not evolved to that point on that market. In both cases, the company may make an entry into the market by conducting a product that is located, in terms of quality, above the average of products offered in that sector of activity. In order for the companies entering the market to be successful, they must offer products with essential distinctive features against those products that are already on the market. At this stage, the major objective is the market penetration of the product, covering the costs made by the company and obtaining a profit which would allow the preparation for the growth stage.

*The development strategies* have as an objective increasing the sales volume of products and, implicitly, the profit. These strategies are promoted by small and medium enterprises which have been successful in the launching phase and, therefore, they intend to expand their market share held and thus to obtain a competitive position more favorable within the branch of activity in which they are evolving.

The main development strategies that can be used by the small and medium enterprises during the current period are the concentration strategy (recommended to the small or medium industrial companies operating in a market dominated by large enterprises), the strategy of market penetration (applicable in a small or medium enterprise having a production profile), the strategy of product development (especially suitable for a medium company), the strategy of enlarging the market (recommended to the small and medium enterprises since it presents a lower risk compared with the strategy of product development) and the concentric diversification strategy (applicable to companies which initiate activities in areas that are distinct from those traditional, but linked to them).

*The stability strategies* are appropriate in a situation in which the small and medium enterprise is in the stage of maturity and they consist in maintaining the range of manufactured products, the technologies used to achieve them, the market outlets and distribution channels. The most important stability strategy is the harvesting strategy, in which the company maximizes its profit obtained by selling products and providing services which brought the company the ascent within the growth stage.

*The defensive strategies* are used when the small and medium company is facing financial difficulties, the competition has intensified as a result of the appearance of superior products and services in terms of quality, against the backdrop of a period of economic recession. The most important defensive strategies are: the comeback strategy (its objective is to bring back the company in a situation of profitability recorded in the previous period), the restriction strategy (is indicated in periods marked by economic recession, political instability and the existence of legislative restrictive rules etc.), the surrender strategy (in which a small and medium business decides on the basis of some thorough analysis, to leave a certain strategic segment [2]), the

strategy of "captive company " (recommended to small companies which entrusts to medium and large enterprises powers in return for economic benefits) and the liquidation strategy (a company selling its available assets).

*The combined strategies* are used by medium businesses that conduct more products. The transposition into practice of the strategic orientation requires, in this case, the adoption of different strategies for each strategic segment in part.

*The partnership strategies*, also known as the relational strategies, consist of the establishment of some collaborative relationships between several companies that evolve in the same branch of activity. Relations of cooperation between a small and medium enterprise and a large company takes the form of subcontracting, meaning that the small and medium company executes certain parts and subassemblies of a product which is assembled and ready for sale within a large enterprise. The relationship established between the small and medium enterprises materialize in strategic alliances such as: the franchise, the license, joint licensing of some products and technologies as well as the joint ventures.

## The Diagnostic Analysis of the Small and Medium Enterprises from Romania

In assessing the state in which the small and medium companies from Romania are regarding the substantiation, the development and the implementation of business strategies, we intend to perform a diagnostic analysis structured on two coordinates: the use of strategic approaches (strategies, plans and annual policies) and the objectives of the small and medium enterprises. Each of these coordinates has taken into consideration 4 analysis criteria: the duration of the work, the development region, the class size and the branch of activity.

The small and medium enterprises whose work last for more than 15 years have significant weightings in terms of use plans and annual policies (48.30%), as well as the strategies on 3-5 years (14.97%, in Table 1). Instead, the companies with less than 5 years of activity recorded the lowest share in terms of the use of strategic approach. This fact can be explained in that the small and medium enterprises with a greater seniority possess good outlined management systems and organizational infrastructures which allow them to conduct foreseeable activities in the conduct business. At the same time, within these companies the size of participatory management and the professional trend are striking compared with the more recently established enterprises.

**Table 1.** Using the strategic approaches within SMEs, depending on the work duration  
- % -

The company's work \ Strategic approaches	Under 5 years	5-10 years	10-15 years	Over 15 years
Plans and annual policies	42,69	47,45	46,19	48,30
3 to 5 years strategies	10,02	12,04	13,98	14,97
-	48,90	41,24	42,37	39,46

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

Analyzing the data from Table 2, one may find that the small and medium enterprises from the regions of South and West present the highest share regarding the adoption of the annual plans and policies (49.41% and 49.06%), while the North West region recorded the lowest percentage (37.88%). The companies from the North West recorded the largest share in the use of strategies (28.79%), while the South West region is on the last position in the hierarchy regarding the share of companies that are developing strategies. It is interesting that the companies from the South West region mostly produce annual plans and policies and in a lower proportion they use

3 to 5-year-strategies, which reflects their concern for obtaining economic performances on a short term. Meanwhile, it is noticeable the great share of companies in the Bucharest region which are not carrying out provisional activities (44.57%), if we keep in mind that this area presents the highest degree of development of entrepreneurial environment, with a density of 57.54 companies / 1000 inhabitants.

**Table 2.** Using the strategic approaches within SMEs, depending on development regions

Development regions Strategic approaches	- % -							
	North East	South East	South	South West	West	North West	Center	Bucharest
Plans and annual policies	48,81	41,01	39,10	49,41	49,06	37,88	40,58	47,35
3 to 5 years strategies	15,48	9,35	10,53	7,06	13,21	28,79	8,70	9,47
-	37,30	52,52	51,13	43,53	39,62	40,91	50,72	44,57

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

The data presented in Table no.3 reveals that over two thirds of the medium enterprises develop annual plans and policies and 21.82% of them use strategies aimed at time horizons between 3 and 5 years. In the case of micro enterprises, only 10.28% of companies are resorting to strategies and 53.04% are not planning activities. The conclusion to be detached from the analysis of these data is that there is a direct proportional relationship between the use of strategic approaches and the dimension of the organization.

**Table 3.** Using the strategic approaches within SMEs, depending on class sizes

Strategic approaches	- % -		
	Micro	Small	Medium
Plans and annual policies	38,02	54,72	67,27
3 to 5 years strategies	10,28	12,38	21,82
-	53,04	33,55	18,18

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

The small and medium enterprises that are working in the industry present the highest share in terms of developing strategies (15.38%), while only 3.45% of the companies engaged in construction are grounding and operating strategies (Table. 4).

The trade sector has the highest percentage of firms that do not develop strategies, plans and annual policies, and the lowest percentage is recorded by the enterprises from the construction sector. In the field of transportation and services significant shares are recorded, companies' shares that do not make use of the strategic approach in their businesses they are carrying out (47.81% and 44.95%), which constitutes, in our opinion, a critical aspect of the small and medium enterprises in Romania.

**Table 4.** Using the strategic approaches within SMEs, depending on activity branches

Activity branches Strategic approaches	- % -					
	Industry	Constructions	Trade	Tourism	Transportation	Services
Plans and annual policies	53,37	68,97	37,32	47,37	43,15	43,69
3 to 5 years strategies	15,38	3,45	11,27	13,16	9,33	13,13
-	35,58	27,59	52,82	42,11	47,81	44,95

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

As one may notice in Table 5, maintaining the business at the current level is the most frequent target in the case of companies which have a work duration between 5 and 10 years (25.10%), while the 10-15 years companies that have this objective record the lowest share (19.55%). Over 60% of the small and medium enterprises have as target the moderate expansion of the business, the highest percentage being recorded by companies with a seniority over 15 years. It is interesting that the companies over 15 years recorded the lowest percentage regarding objective of the rapid expansion of its business (9.85%), the largest share being owned by the enterprises established in the last 5 years. If we have in mind the objective of selling or closing the business, the highest percentage belongs to the small and medium enterprises with a work duration between 10 and 15 years and the lowest percentage of companies over 15 years.

**Table 5.** The objectives of the small and medium enterprises depending on the duration of the activity  
- % -

The company's activity duration \ The company's objective	Under 5 years	5-10 years	10-15 years	Over 15 years
Maintaining the business on the current level	19,70	25,10	19,55	19,70
The business's moderate expansion	61,02	62,15	65,91	68,94
The business's rapid expansion	16,95	10,36	10,91	9,85
Selling / closing the business	2,33	2,39	3,64	1,52

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

The data summarized in Table 6 show that the companies from the Bucharest region and Western region has the highest share in terms of the objective of maintaining the business at the current level (27.38% and 24.53%), the lowest share being recorded by the enterprises from the Centre region (13.04%) and North West (13.64%). Taking into account the objective of the business's moderate expansion, on the first position of the hierarchy there are the small and medium enterprises from the centre of the country (73.91%), and on the last position those from the South area (58.93%).

Expanding the business rapidly is the objective preferred by 21.21% of companies operating in the North West region, at the opposite side being the companies from the Bucharest region. Therefore, in the Bucharest region which is the most developed in terms of the small and medium enterprises, the companies which have as their objective maintaining the business and its moderate expansion presents significant share, while organizations that aim a rapid expansion of business are recording the smallest percentage on a national level.

**Table 6.** The objectives of the small and medium enterprises on development regions  
- % -

Development regions \ The company's objectives	North East	South East	South	South West	West	North West	Centre	Bucharest
Maintaining the business on the current level	16,03	20,69	18,75	22,09	24,53	13,64	13,04	27,38
The business's moderate expansion	67,93	65,52	58,93	62,79	60,38	62,12	73,91	59,23
The business's rapid expansion	11,81	12,07	20,54	13,95	15,09	21,21	13,04	10,42
Selling / closing the business	4,22	1,72	1,79	1,16	-	3,04	-	2,97

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

In the Center and Western regions there are no small and medium enterprises which have in mind the selling or the closing of the business, and the North East region is recording the highest percentage of companies that have this objective.

Also it is worth mentioning that the North East region is placed on the last position in terms of developing the entrepreneurial phenomenon, recording a density of 16.43 companies/1000 inhabitants, compared with the national average which is 25.43 companies/1000 inhabitants.

The objective of maintaining the business at the current level presents the highest frequency among the micro enterprises and the lowest frequency in the case of medium-sized companies (Table 7). The small and medium-sized companies prefer in approximately equal proportions to extend its business in a moderate pace (71.42% and 71.43%), while the percentage of the micro enterprises which have this objective is lower (58.58%).

The rapid expansion of the business is a goal set especially by the medium enterprises (16.19%), the small companies having the lowest percentage from the view of that objective. Regarding the sale or the closure of the business, one may notice that on the extent of increasing the size of the company, the percentage of the small and medium enterprises which sets this target decreases significantly (3.25% for micro enterprises and 0.95% for medium-sized companies).

**Table 7.** The objectives of the small and medium enterprises on class sizes

		- % -		
Class sizes		Micro	Small	Medium
The company's objective				
Maintaining the business on the current level		25,00	14,98	11,43
The business's moderate expansion		58,58	71,42	71,43
The business's rapid expansion		13,17	12,20	16,19
Selling / closing the business		3,25	1,40	0,95

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

In the transportation field it is recorded the largest percentage of small and medium enterprises which have as objective maintaining the business on the current level (25.24%), the lowest percentage was recorded by companies working in industry (Table 8).

The moderate expansion of the business is especially preferred by enterprises operating industrial and construction activities (70.90% and 72.41%), the smaller share of the companies that have this objective being recorded within transportation (58.90%).

The trade and tourism companies have the largest share regarding rapid expansion of the business (15.79%), which is explainable due to the lower resources size that it involves the development of these activities, and also due to lower recovery terms of the made investments.

Within construction there are no small and medium enterprises which have as their objective the sale or the closure of the business, while in transportation it is recorded the highest share of companies that have this objective.

**Table 8.** The objectives of the small and medium enterprises on branches of activity

		- % -					
Activity branch		Industry	Constructions	Trade	Tourism	Transportation	Services
The company's objective							
Maintaining the business on the current level		15,34	17,24	16,54	21,05	25,24	22,02
The business's moderate expansion		70,90	72,41	63,91	60,53	58,90	62,33
The business's rapid expansion		12,17	10,34	15,79	15,79	11,65	14,32
Selling / closing the business		1,59	-	3,76	2,63	4,21	1,33

Source: CNIPMMR, *The White Charter of SMEs from Romania*, Olympus Publishing House, Bucharest, 2008

## Business Strategies Recommended to the Small and Medium Enterprises from Romania

The diagnostic analysis of the small and medium enterprises allows the identification of the main types of strategies that are recommended or may be promoted by the small and medium enterprises in Romania in the context of the current business environment.

Analyzing the data summarized in Table 9, a series of conclusions appear which we are briefly presented below:

**Table 9.** Strategies recommended to the small and medium enterprises from Romania  
- % -

The strategy type Grouping criteria for the SMEs		Stability strategy	Development strategy		Defensive strategy
			Moderate	rapid	
Activity duration	Under 5 years	19,70	61,02	16,95	2,33
	5 - 10 years	25,10	62,15	10,36	2,39
	10 - 15 years	19,55	65,91	10,91	3,64
	Over 15 years	19,70	68,94	9,85	1,52
Development region	North East	16,03	67,93	11,81	4,22
	South East	20,69	65,52	12,07	1,72
	South	18,75	58,93	20,54	1,79
	South West	22,09	62,79	13,95	1,16
	West	24,53	60,38	15,09	-
	North West	13,64	62,12	21,21	3,04
	Center	13,04	73,91	13,04	-
Class size	Bucharest	27,38	59,23	10,42	2,97
	Micro	25,00	58,58	13,17	3,25
	Small	14,98	71,42	12,20	1,40
Activity branch	Medium	11,43	71,43	16,19	0,95
	Industry	15,34	70,90	12,17	1,59
	Construction	17,24	72,41	10,34	-
	Trade	16,54	63,91	15,79	3,76
	Tourism	21,05	60,53	15,79	2,63
	Transportation	25,24	58,90	11,65	4,21
	Services	22,02	62,33	14,32	1,33

- The stability strategies are recommended especially to the micro enterprises which have activity duration between 5 and 10 years, from the Bucharest and Western regions, and they are conducting business in the fields of transportation, services and construction.
- The development strategies can be adopted especially by the small and medium-sized companies from the centre of the country and from the area of North West which are working within industry and construction; regarding the age of the companies, on the first two positions we find the enterprises that are over 15 years and the companies that were established in the last 5 years.
- The defensive strategies (withdrawal, liquidation, etc.) are adequate especially to the micro enterprises which have a seniority between 10 and 15 years, from the North East region, operating in the fields of transportation and trade.
- The micro enterprises show a great tendency for promoting the stability strategies in comparison with other categories of small and medium enterprises, explicable in the present period, whereas after having reached a certain level of profitability, the limited resources at

their disposal, especially financial ones, cannot ensure the continuation of the ascendant evolution, but it offers them the possibility to maintain their gained competitive position. It is recommended that these micro enterprises should adopt the strategy of harvest, which may capitalize the products and/or the services that have provided them achieving of that level of competitiveness. Besides financial constraints, we appreciate that an important reason of some micro enterprises' orientation towards maintaining the business on a current level and not towards its development is that the entrepreneurs and the companies' employees do not feel comfortable with the organizational changes (involving, among others, the essence of mutations in the organizational structures), and they do not have a forward-looking vision, and believing that once the company met certain economic performances, the efforts must be directed solely towards maintaining them.

- The small and medium-sized companies aim, in their great majority, to the extension of the business they run and, implicitly, it is appropriate to promote the development strategies. It is recommended that the small and medium enterprises from the industry to adopt development strategies for the product, concentration strategies and extending the market strategies. The enterprises from constructions may resort to strategies to expand the market and concentric diversification strategies (for example, widening the total of activities, for the purposes of carrying out environmental operations, housing maintenance, modernization of the interiors, etc.). The large share of small and medium companies which are aiming at the business development, as well as their presence within industry and construction represent, in our opinion, the strengths of the small and medium enterprises in Romania from the view of the European economic integration.
- Locally, the Center region is noticeable with the highest percentage of companies which may choose the development strategies. It is important to mention that in this area there are no companies that have strategic defensive guidelines. Bucharest, the most developed region in terms of the density of small and medium enterprises, is marked by the greatest share of the business strategies that can promote stability strategies; the percentage of those who have as main option the development strategy is lower in comparison with other areas of the country.

### **Directions of Action Recommended to the SMEs from Romania to Elaborate and Successfully Implement the Business Strategies**

In our opinion, the main direction of action recommended for the small and medium companies from Romania to substantiate, elaborate and successful implement some competitive business strategies are, in essence, the following:

- the creation of adequate management systems, especially under a structural, organizational and information report;
- proactive approach of the organizational change processes;
- the production of some essence mutations in the mentality of managers, entrepreneurs and employees from the small and medium enterprises;
- training the human resources in the continuously learning process, in the context of knowledge-based economy.

Each small and medium enterprise must have an adequate management system, well-defined in terms of structural and dimensional, to ensure the achievement of the strategic objectives established in accordance with the organization's mission, under the conditions of an economic and social efficiency which must be as increased as possible.

In the organizational plan, we appreciate that the entrepreneurs and the managers of SMEs from Romania must undertake a series of actions, among which we mention: the configuration of some dynamic organizational forms, flexible and participatory, especially within the medium-sized enterprises and small ones which are due to enter into the medium-sized companies category; the introduction of the equipment and information products; increasing the involvement and responsibility degree of the performers as a result of the proliferation of information and the development of some organizational cultures orientated towards performance; the expansion of the use of documents and formalized procedures; the development of information flows and the print of a powerful organizational culture, especially within medium-sized companies.

The formal organization is well shaped within the medium companies, but it is less present within the micro and small enterprises. The formalization of the organizational system is important for the SMEs whereas it involves fixing the structural organizational components and recording them on documents (establishments, organization and operating regulations, post cards) that serve as working instruments for employment and business components and for controlling their activities by entrepreneurs and managers [10]. Within the micro and small companies the organization presents a stressed informal dimension, as a result of interpersonal relations created and developed between the entrepreneur and his collaborators. Therefore, these organizations must show concern regarding the formalization of the organizational systems, for the purposes of designing and delimiting the structural components (job, functions, departments, etc.) in accordance with the specific and the proportions of the involved organizational processes, as well as with the aimed strategic objectives.

The organizational structures recommended to the SMEs from Romania are domestic organizational structure for the micro-enterprises, the organizational structure of a hierarchical type, in the case of the micro enterprises that are not domestic and of the small companies that resemble, in terms of number of employees, the micro enterprises, as well as the hierarchical-functional structure, for the medium and small companies that are expanding having as objective entering the medium enterprise category.

A remark is required. Formalizing the organizational systems must appear on the agenda of priorities for entrepreneurs and managers of SMEs from Romania, but the key to success in terms of organizing is represented, in our opinion, by creating and maintaining a balance between formal and informal dimensions, a best "formal-informal". This is important whereas a number of small and medium enterprises engaged in a single activity or a limited number of activities, both the simplified organization in a procedural plan as well as in a structural plan and the emphasized informal dimension of the organizational system, in its ensemble contributes significantly to accelerate the speed information flows and decision-making, with beneficial effects in the sphere of economic and social performances.

The competitiveness of the small and medium companies in Romania is influenced in a decisive way also by the existence of some adequate information systems. The entrepreneurs and the managers of SMEs should consider the design and the implementation of some information systems to meet the internal and external needs of the organizations they lead. Externally, an information system should provide the information regarding the preferences expressed by the demand carriers, the strategic actions taken by the competing companies, the mutations made within the legislative environment, the technologic and managerial know-how, the emergence on the market of new products and services, and their quality. Domestically, an efficient information system determines an increase of performance in substantiating and adopting the managerial decisions, reducing distortions, filtrations, redundancies and overloading the information channels as well as the improvement of the communication process within the organization.

Under the conditions of a business environment increasingly complex and turbulent, the small and medium companies from Romania must make constant strategic organizational changes. It is recommended that the SMEs from Romania to approach the change in a proactive manner, with the meaning of anticipating its need and to undertake the necessary steps to adapt the organization to the evolutions recorded in the environment. In fact, the organizational strategic change initiative includes continuously initiatives that start from entrepreneurs or managers. The main variables of the organizational change are: the strategic vision, the objectives, organizational structure, the technologies, the organizational culture and the management techniques [6]. Within the micro and small companies, the variables involved in a process of organizational change are, essentially represented by the entrepreneur's vision and the organizational culture, which in turn bears the print of the entrepreneur's personality. Within the medium companies with a productive profile or which are engaged in several activities, in the process of organizational change are found, as a rule, all the variables mentioned above.

The small and medium enterprises from Romania must take into account an existent reality in the practice of the companies from the countries with a developed economy, namely the movement of the management concerns from the area of current approaches to the area of strategic approaches. It is crucial that the entrepreneurs and the managers of SMEs should become aware of the importance of the strategic planning, as a component activity of the strategic management and also as a main instrument of its expression. Within the activity of strategic planning, the entrepreneurs and the managers of Romanian SMEs should consider the coordinated conducting of the following stages: the strategic diagnosis-analysis (internal assessment of the potential of the company and the identification of the main developments recorded within the business environment), the organizational change ( the preparation of the enterprise in order to achieve the necessary skills to implement the new strategic orientations) and the design of the strategy (mapping out the evolution directions of the small and medium-sized business). Being aware of the importance of practicing the strategic management, as a catalyst to increase the organizational efficiency, involves a new mentality of the managers and the entrepreneurs from Romania, centered on a forward-looking attitude in approaching the business, which must be induced to all the human resources that are involved within the management processes as well as within the execution processes.

Involving the human resources in a learning process continues to represent one of the priorities of the SMEs from Romania in the context of a knowledge-based economy. A new business strategy involves new skills, resulting from the accumulation of knowledge, which are acquired by members of an organization through a continuous process of learning. The small and medium enterprise as a main microeconomic pawn of the economy based on knowledge must be through excellence, an organization that learns. Therefore, the investment in education and training of human resources in the continuously learning process represent the keys to success of the elaboration and implementation of a competitive business strategy. It is essential for the entrepreneurs and the managers, through their strategic vision, to induce their employees' feeling of the need to permanently inform themselves and to transmit them a pro-change and pro-learning attitude. Thus it is created an incentive organizational climate, dynamic and proper to accomplish operational excellence, with profitable effects on medium and long-term within the company's sphere of competitiveness.

Beyond the lines of action presented, we believe that the development of professional knowledge and managerial skills, the creation and strengthening of some cultural evolutionary models, orientated towards change, the complex motivation of the human resources, the promotion of some appropriate management styles, with a defined participatory dimension as well as giving the management a professional feature, represent important premises and also potential sources of success within the elaboration and becoming operational process of some competitive business strategies for the small and medium enterprises from Romania.

In conclusion, we appreciate that the substantiation, the development and the efficient implementation of the business strategies within the small and medium-sized companies from Romania represent a sine qua non condition in order to consolidate this microeconomic sector, which constitutes a catalyst of the sustainable development in the view of Romania's integration within the economic and social architecture of the European Union.

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## Strategii de afaceri promovate de întreprinderile mici și mijlocii din România

### Rezumat

*Strategiile de afaceri promovate de întreprinderile mici și mijlocii prezintă anumite particularități în funcție de amploarea proceselor organizaționale, de intensitatea concurenței manifestate pe piață, precum și de dinamismul accentuat ce caracterizează acest sector microeconomic. În acest context, lucrarea își propune efectuarea unei analize-diagnostic a IMM-urilor din România și, pe această bază, identificarea celor mai adecvate tipuri de strategii aplicabile în firmele mici și mijlocii. În partea finală a lucrării sunt prezentate câteva posibile direcții de acțiune recomandate întreprinderilor mici și mijlocii în vederea fundamentării, elaborării și implementării cu succes a strategiilor de afaceri.*