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ROMANIA



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## THE SCIENCE OF OPPORTUNITY IN ROMANIA

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**Abstract:** *Most countries in the world are actively trading with Romania. The service sector has grown ever larger, with the development of national economies. Presence in all elements of profit economic performance of an company highlights the central place in assessing the effects produced per unit effort or expense. Therefore, of great importance in the development and substantiation of economic efficiency indicators system has accurate about the role of profit and profitability at the micro level. How to negotiate delivery condition for the benefit by the company or the customer? This article will present some of the obligations and risks it has assumed both contractual partners but also the opportunities that arise in Romania.*

**Keywords:** *logistics methods, SMED method, Obeia method, reorganization, logistics solution.*

### 1. INTRODUCTION

Based on trends observed in the market in recent years, from the way they played some categories or subcategories of products, from the changes in consumer buying habits and Romans, the author found significant business development opportunities generated by current circumstances or desirable in the medium and long term. These opportunities are due to adaptation logistics management methods used today by the Japanese, American, German ... But in this article, the case study was conducted on the field of services, in terms of logistics.

Few cities in Romania can boast high development of modern retail. The vast majority of cities shows interesting opportunities for commercial networks, with plans to expand.

There are significant disparities between regions in Romania, and within them. The main issues to be tackled in order to promote balanced development in Romania are:

- Increased capital importance compared to the overall development of other regions;
- Increasing imbalance between west and east because western markets acting as a growth factor, the less developed areas in the north-east, respectively border with Moldova and south, along the Danube;
- Intraregional inequalities;
- Urban decline of small and medium-sized cities;
- Negative impact of industrial restructuring in mono-industrial rural. [3]

Modern age had a significant impact on the evolution of the Romanian industry. The map would grow enormously in the interwar period and the final shape during the communist regime. Currently, in the context of industrialization, industrial map of Romania, unfortunately, more refreshing than it is enhanced, making the prosperity of the country to make limited and piecemeal.

## 2. CASE STUDY

### 2.1 Organizational structure

The rapid development of trade (or distribution) is due to the role it plays in the evolution of society. Trade - distribution is the link between production and consumption.

Company, starts its activity in 2008, with specific services. This business develops, as shown in Fig.1

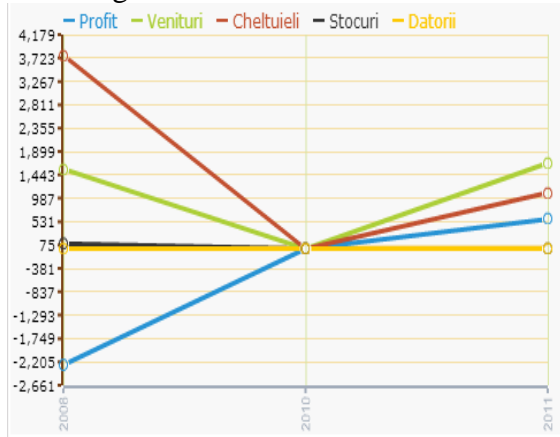


Fig.1 Financial Indicators. [4]

The financial indicators are:

- Profit with blue
- Total revenues with the green color
- Expenses with red
- Yellow represents liabilities

The company was able to substantially increase its turnover by cross selling. Important is the client for future business development.

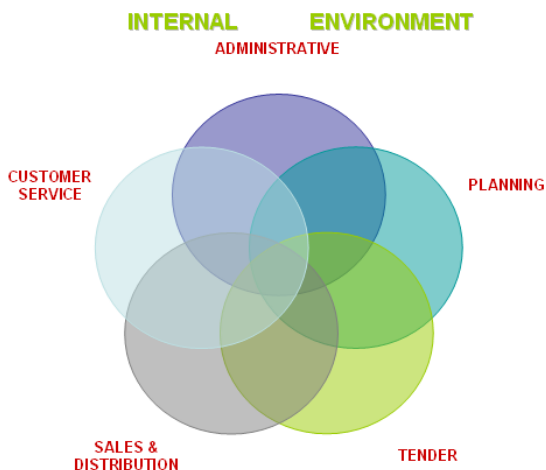


Fig.2 Organizational structure, each department.

The company has 5 departments:

- PLANNING – the activities and the processes, ensuring product availability;
- TENDER - identify customers;
- SALES & DISTRIBUTION – the activities and the processes, ensuring product availability;
- ADMINISTRATIVE - provide the support, to the four departments;
- CUSTOMER SERVICE – the activities and the processes, ensuring product availability.

Each organizations, are the systems, that are capable of input, which then turns it into output.

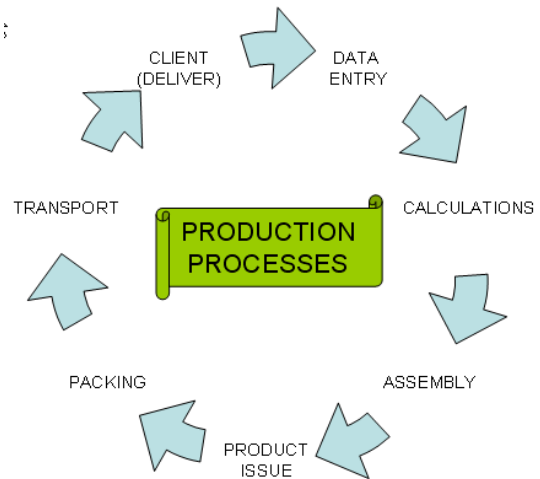


Fig.3 Production Flow Chart.

### 2.2 The solution is: change by implementing methods

In a previous article the author, has done an analysis on logistics methods implemented, which includes above table.

The idea, on this article, is based on the Quick Changeovers method that facilitates the reduction of lost time during a product change. The principles of quick changeover resulted originally from the concept of SMED, which means Single Minute Exchange or Die. Although it is a method used only in production, here this method was implemented from necessity, because otherwise customers buy the same products at the same price elsewhere. Should seek opportunities that give them customers that benefit from purchasing products. Therefore, the company operates as a niche to quality services, but the program is 24 of 24 from disposal of the client.



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Experience showed that the flow of managing customized products was missing.

**Table 1.** Analysis Tools for Logistics Management (ATLM). [2]

METHODS IMPLEMENTED	DEGREE OF IMPLEMENTATION
MRP	100%
KANBAN	-
JIT	100%
FIFO/LIFO	LIFO
HEIJUNKA	-
KAIZEN	100%
5 S	90%
JIDOKA	-
KANO	99%
PULL/PUSH	PULL
ABC	-
SMED	100%
TRIP. "A"	80%
OBEYA	100%
SCM	60%

Of course, in this particular case, the company's strategy does not coincide with those with whom it competes.

**METHOD OBEYA**

We need to find at least a few ways that the open office or "obeya" concept increases profit in a direct way.

**2.2.1. Reduced space.** At a minimum organizations who remove walls recover one meter of space on either side from the center of the wall. Multiply this times the linear meters of the wall to determine the savings. Realistically the removal of walls consolidates a lot of small bits of dead space within offices, makes storage or meeting rooms redundant, and generally turns up free space. While space may be a so-called soft savings for many lean manufacturing implementations, many times office space is leased, can be sub-leased more easily than manufacturing space, or can be

sold to reduce fixed and variable costs and increase profit.

**2.2.2. Fewer meetings.** When walls come down, the need for meetings is reduced. More time can be spent in small but timely bursts of communication. More progress is made on issues within an obeya than within the traditional meeting room due to the information displayed there and the fact that it is a working area for a cross-functional team; they want the meeting over and you out of their space so they can get back to work. Multiply the man-minutes of meetings reduced times the cost and this is another concrete way that removing walls increases profit.

**2.2.3. Reduced gold plating.** We over-design product, processes and even our physical work space, adding costs that customers will not pay for. This happens either because customer requirements are poorly defined, poorly communicated across functional barriers, or because decision are made behind walls. The obeya puts the best information on the wall for all to see. It puts the people from different functions in the room for regular face to face communication, problem solving and discussions about the need for gold plating. This improves profit.

**2.2.4. Clearing the e-mail jungle.** Finding a way to recover lost productivity due to the cost of managing via e-mail will make some clever innovator very wealthy. Otherwise we can save it for the daily team reviews in the obeya, save everyone some time, and save some money in the process.

**2.2.5. Making resource bottlenecks visible.** There is nothing like an open room to show who is busy, who is not and to enable cooperation in getting the day's work done. When people cooperate and move to relieve bottlenecks, this reduces cost by avoiding extra hiring, overtime, penalties due to project delays and so forth.

The obeya is far more than simply a big open room. It must be deliberately designed as a communication center for the status of daily work as well as the progress of projects involving cross-functional teams, customers and suppliers. This is especially important today as more teams work virtually and across language and culture barriers. [5]

### 3. CONCLUSIONS & ACKNOWLEDGMENT

It is a trend that can be harnessed relatively easily, especially as often, supply creates demand. A trend valuable, credible, supported by quality products and services can quickly grow and strengthen market. This gives me, most times, rapidly evolving.

The proposals:

- streamlining distribution operations (transport)
- promote company visibility
- increasing the number of clients, through the hiring of specialized staff
- motivate existing staff
- performance measurement within each department and pay according to achievement
- decrease in fixed costs, here is possible

After 2000, the value of the customer is given by production flexibility, high quality and low cost linked to availability. In other words, if they want to survive in a global market, companies must profit, contracts and renewed growth. For this, companies have to be the best in ensuring delivery of quality products at competitive prices. We can say will matter less time than the competition.

“The theory behind Obeya is based on a simple idea: Dedicate time and space to coordination and problem-solving and organizational barriers will be minimized.

The result: effective solutions and actions that can be developed and implemented quickly.” [1]

Consequences of SMED, for our production system are:

- Shorter innovation, adapt quickly to new or modified

- Fast and safe delivery, high quality despite frequent changes
- Improving the working cycle capability (standardization)
- Improved repeatability change the manufacturing operations
- Stocks of small / zero production
- Lean Production: customer pull (pull) products flow
- Meeting the diverse market by providing several variants of product, even if the application is in small quantities.

Consequences of OBEYA, to our production system are:

- Change offices in one large room
- closer links between employees
- Improved communication, as (horizontal or vertical)
- Meeting demand by the same quality, but with great rapidity.

This paper is supported by the Sectoral Operational Programme Human Resources Development (SOP HRD), ID76945 financed from the European Social Fund and by the Romanian Government under the contract number POSDRU/107/1.5/S/76945.

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