

THE STRATEGIC MANAGEMENT FOR THE ELECTRICAL SME'S IN THE GLOBALIZATION COTEXT

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ABSTRACT

In March 2008 I did an inquest in the Bucharest area to analyse the management of the SME's working in the domain of electrical low voltage. I realised a pragmatically questionnaire which I organisated under three majors themes: the perception of the owners/managers of SME's about the romanian electrical equipements market; the globalization of these SME's; the strategic management of these SME's in the globalization context. In this paper we do a general analyse of this last theme: which type of management and which experience of the owner/manager we find, how the globalization is in his perception, which are the capabilities for strategics alliances with internationals players in the same field.

KEYWORDS: *Inquest, questionnaire, electrical SME's, strategic management, globalization*

To analyse the management of the SME's in the globalization contexte I did a research in the field, in Bucharest, to see the domain of the SME's of electrical low voltage. It was necessary to do so for the reason that in more than ten years of professional activity inside this field I have never seen a dedicated study, even though some demandes did arrived from Romanian and foreigners companies. I have choosen Bucharest as target of my research because it is representative for almost half of the Romanian business in this area of activity and this inquest can be usefull for other research on other regions of Romania in the future.

The inquest on the field was done by March 2008, in the best period of the Romanian real-estate business, together with specialists of the prestigious Urban and Regional Sociology Center (CURS). It conteinted an analitical people sample of big volume, guided, and had like base a pragmatic questionnaire which proposed to confirm (or to infirme) some personal hypothesis concerning the fonctionement and the specialization of this market, the quality of the management, the desire of globalization etc.

The questionnaire was reflected, worked upon, added between October 2007 and March 2008, like fond and like forme, and took in consideration the details and the nuances. It was necessary to do an identification paper for each company, thing that was not foreseen on the beginning and which arrived to be important in the analyse of the results of the inquest.

Three majors themes were on the base of this questionnaire:

1. The perceptions of the owners/managers of SME's about the Romanian electrical equipements market;
2. The globalization of these SME's;
3. The strategic management of these SME's in the globalization context.

In this paper we will presente only this last theme, where we have tried to acknowledge the type of management of the company, the work experience he had before,

the perception of the globalization, the role of Internet in his position, the links and capability for strategic alliances with international players in the same field.

The identity paper and the questionnaire proposed beginning March 2008 to the managers and owners of SME's for the third theme were:

1. Identification of the company:

A1. Cod CAEN :

A2. Organisation forme:

1. Family association 2. ULTD 3.LTD 4.SA.

A3. Year of entry on this market :

A4. Size of the company in conformity with the 2006 turnover:

1. Less than 50.000 euro 3.Between 300001 and 1000000 euro
2. Between 50001 and 300000 euro 4.More than 1000000 euro.

A5. Size of the company in conformity with the employees number:

1. Between 1 and 9 employes 2. Between 10 and 49 employes 3. More than 50 employes

A6. Did something like reorganisation, scission, fusion happen in the past:

A6.1 Reorganisation

A6.2 Scission

A6.3 Fusion

A7. Have its foreign associates/shareholders inside?

1. Yes 2. No

A8. Have its intention to have in the near future foreign associates/shareholders inside?

1. Yes 2.No

D) The strategic management in the globalization context

D1. In your company :

1. The owner does the management by himself
2. It is a professional management
3. It exist other kind of management

1. 2. 3.

D2. The manager arrive from :

1. electrical field
2. a common field with the electrical
3. other activity field -----

1. 2. 3.

D3. It exist in your company a managerial reflexion for the globalization ?

1. Yes 2. No

D4. (For those which have answer 1. at question D3).Have you the temptation to sacrifice this globalization for a speculative real-estate action in the near future ?

1. Yes 2. No

D5. Do you consider Internet an important engine for the globalization of your company?

- | | |
|-------------------|-------------------|
| 1. Very important | 3.No-important |
| 2. Important | 4. Less important |

D6. For the answers 1. or 2. to the question D5 : which is the percentage that Internet takes from your working time?

D7. Define three countries with professionnels you think you can integrate in the future.

- | | | |
|-------|-------|-------|
| D7.1. | D7.2. | D7.3. |
|-------|-------|-------|

D8. Which is the position in the company for the respondent of this inquest ?

The final data base comprised 144 companies – general colectivity- which represents about 25% from the total companies selected at the beginning or in the time of the constitution of this data base. The number of these companies send us to realise an inquest of large volume and the people sample selected to realise it was 50. We have decided to divide the general collectivites in four categories, taking in consideration the turnover of 2006, to be able to do, in a second step, a nuanced analyse:

- a. Very small companies, maximum turnover 50000 euro – 31 companies;
- b. Small companies, turnover between 50001 and 300000 euro – 41 companies;
- c. Medium companies, turnover between 300001 and 1000000 euro – 27 companies;
- d. Medium companies with big turnover, more than 1000000 euro – 45 companies.

Function of this calibre we have divided the general people sample in:

- a. 11 companies;
- b. 14 companies;
- c. 10 companies;
- d. 15 companies.

We see now which was the results of the questionnaire for these 50 companies which had the amability to cooperate.

A) The identification of the company

The year with most companies created was 1994 (18%), forward by 1992, 1998 and 2004 with the same percentage of 10%. If these elements are not relevant for having a notion about the trend in company creation in this field we can observe that between 1990 and 1999, 68% of these companies were created and only 28% between 2000 to 2006. The whole majority of companies in this field have been created after 1990, so they are young companies, which is a different element from the situation in EU members which entered in the union before 1990. The great majority of companies (48%) has between 1 and 9 employees, fact that confirms a presumption, that in this field the small enterprises are predominant. A 62% of these have suffered reorganization, 10% scission and only 4% have suffered fusions, fact that indicates a great fragmentation of the market a relatively poor actors. In this context the question about the presence of foreign associations (shareholders) in these companies has answers that conclude a poor result : 24%. So, in this way an other presumption is acknowledged, that of the prominence of companies with 100% Romanian capital in this field. For the next 3 years other 20% of companies prefigure the introduction of foreign partners in their capital, situation in which the balance between Romanian companies and joint-ventures would be sedated. This fact will lead to a concentration of the actors on this market.

D) The management of SME's in the context of globalization

The answers for the first question of the current theme puts already the badge of entrepreneurship management for the management in this field, that because 74% of this management is represented by owners and only 26% by employees. This result, an awaited one, explains the pattern side which we can observe in these companies, where nothing moves (commercial offers, technical or strategic cooperation etc.) without the owners say, whose thanks to his enterprise experience, wants to know everything that goes on in his company, to supervise and lead everything. The delegation of responsibilities is rare seen in the field. Other question that drives to expected answers is the one about the professional background of the management, and so the great majority come from the electrical area: 64% is the respective percentage. A normal thing if we consider that beginning such activity (in case of managers/owners) or the insurance of the management of an active company in this field, requires relative important technical knowledge both theoretically and practically. The specialised design offices are the privileged interlocutors of these companies and usually, in the absence of a such dedicated compartment created within the company, the actual owner is the one that takes care of this kind of relation, and so he is compelled to stand up to the technical level of his interlocutors. The answers for the third question, about the manager's occupation through globalization are relatively balanced : 42% say yes and 58% say no.

For those with positive answers, a complementary question arises apparent anodic in that moment, for the temptation to sacrifice the globalization of their business, to act to real-estate speculations on the internal market : the response was almost 100% no ! This reaction is covered by the fact that maybe, many of these actors didn't manage the desired globalization at that time but today, they exist in the internal market. The two questions regarding the Internet had the purpose of finding out the high level in which this activity is situated among the concerns of managers. No less than 90% considered it highly important or important, result which need no comments. Concerning the time percentage allocated to this activity we acknowledge that 13,3% have responded with a surprising 100% of the time dedicated to the Internet ! The percentage of 30-40% are but those predominant. We find in this way a great usage of the Internet but we also acknowledge the danger of an imaginary economy in which live those who use it in excess.

The podium of the countries with whose managers their Romanian counterparts would like to integrate (as strategic alliances, joint-ventures) is predictable: Germany (26%), Italy (22%), French (14%). Almost two-thirds of votes gather the three countries and, it would be interesting to check up on the perception of the managers in these three countries on Romanian counterparts. Those that responded to this survey were in 58% proportion owners or managers and 42% superior personnel assimilated to management.

Concluding, following the general answer line to this survey it would be safe to say that the management in the area of electrical equipment of low voltage is ready for globalization, but also, it could be said that this phenomenon will be delayed because of the crisis.

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