



STUDY ABOUT A FURNITURE COMPANY THAT USES NEW TECHNOLOGIES AND COMPUTERIZED EQUIPMENT

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Abstract: *In Romania, there are companies that uses new technologies and computerized equipment leading to obtaining high quality products and profit. Furniture industry has continuously developed due to high demand for diversified products for all age groups. Romanian goods shall be delivered both in the country and abroad. The tapestries furniture made in our country, classical or modern, by leather in different colours or with textile coating materials fashionable chosen is already enjoying much attention from the external and internal customers. The workforce employed in the furniture manufacturing industry is qualified, managed to shape the wood into complex and elegant products that are able to give full satisfaction to all consumers*
SWOT analysis is defined as a complex research of economic aspects, technical, sociological, legal and managerial aspects that characterize the activity of a company and allows the formulation of an opinion on the past and present condition of the company. SWOT analysis may be carried out both at the level of functional areas of the company: financial, commercial, production, human resources, research and development, management and at the level of firm as a whole. By this analysis was obtained a clear picture of the current state of the analysed company, helping to knowledge and understanding of the general context in which the company operates.

Key words: *quality, furniture, management, production, analysis, SWOT*

1. INTRODUCTION

Today, European furniture industry has a high level of production quality in technical, aesthetic, design and fashion terms, and has a very good image worldwide. The furniture industry is one of the key sectors for Romania in the country's sustainable development strategy. Situated on a prominent place among export processing segments, companies active in the production of furniture have developed a strong presence in European and world. Modern equipment and technologies adopted in the majority of furniture factories have increased the competitiveness of the furniture. Price-quality ratio of the products is very good that makes the Romanian products to be popular on the market. [1-4]

2. CASE STUDY

COMPANY PRESENTATION

The company "Z" Ltd, is a company with private capital which has the area of activity manufacture of tapestries furniture. This furniture is delivered in 20 European countries. The main company outlet is in France, Switzerland, Italy, Austria but also the entire eastern European area.

Parent company owns five production locations in Poland and in Romania were they are working around 1,500 employees.

Efficient logistic systems allow for prompt and in time delivery of the furniture direct in subsidiaries of European clients.

The offer to the beneficiaries in terms of price-quality ratio is very good because of the current integration of the newest trends and thanks to the collaboration with the best known designers. The

company assure a very large field of tapestries furniture for clients in all age groups and having the most varied preferences, so:

- "Z Italy" is generic brand for sofas tapestries with leather, emanating an Italian air and incorporates only selected materials
- „Z World“ is addressed to international customers
- „Z WoW“ is the young component
- „Living & Dining“ includes residential furniture, tables and chairs "made in Europe" but also some pieces imported from Far East

This company uses new technologies and computerised equipment and the results began to appear gradually.

On the basis of the financial information of the company, presented in table no.1, and on the basis of other information received from the company, it may make a SWOT analysis of the firm.[2],[5-13]

Table 1. Financial information. Balance Sheets

Year	Turnover (RON)	Revenue (RON)	Costs (RON)	Debts (RON)	Gross profit (RON)	Clear profit (RON)	Gross loss (RON)	Clear loss (RON)	Average number of employees
2000	1.158.136	1.184.467	1.223.225	3.077.079	-	-	38.757	38.757	85
2001	8.745.580	8.803.176	9.001.469	5.934.136	-	-	198.293	198.293	217
2002	16.254.268	16.432.800	14.760.640	6.494.535	1.672.160	1.544.299	-	-	319
2003	28.265.015	28.917.216	27.287.027	10.116.261	1.630.188	1.435.107	-	-	376
2004	39.709.461	40.383.969	37.253.801	14.537.701	3.130.168	2.178.886	-	-	459
2005	51.988.647	53.511.449	49.506.743	24.067.682	4.004.706	3.328.308	-	-	579
2006	72.410.519	75.373.978	71.930.883	23.558.363	3.443.095	2.710.479	-	-	689
2007	132.323.876	136.470.939	134.433.266	35.977.186	2.037.673	1.514.475	-	-	747
2008	141.432.984	143.024.040	140.304.306	34.526.259	2.719.734	2.227.476	-	-	664
2009	162.730.830	163.119.513	156.231.835	29.265.463	6.887.678	5.746.383	-	-	629
2010	170.435.659	170.647.890	169.654.678	27.548.034	6.875.365	5.876.437			650
2011	170.546.054	170.705.678	168.543.285	26.945.024	7.056.127	5.963.096			630
2012	172.987.995	172.999.768	171.152.980	22.458.241	7.345.097	6.165.093			624
2013	218.650.729	221.874.505	180.763.879	18.093.458	9.945.854	8.245.963			605

Turnover

The turnover of "Z" Ltd is steadily increasing since 2000. From 2000 until 2013 the turnover has increased with 217.492.593 RON, that means with 18779,53%

The highest turnover was achieved in 2013 - 218.650.729 RON.

The lowest turnover was achieved in 2000 - 1.158.136,00 RON

In the last balance sheet (in 2013) the turnover increase with 45.662.734 RON, that means 26,39 % compared to previous year.

Revenue

Revenues obtained by „Z” Ltd have an ascending evolution since 2013.

Since 2000 up to the year 2013 revenues have increased with 220.690.038 RON that means 18.632,01 %.

The higher revenue have been obtained in 2013: 221.874.505 RON

The lower revenue has been obtained in 2000: 1.184.467,00 RON

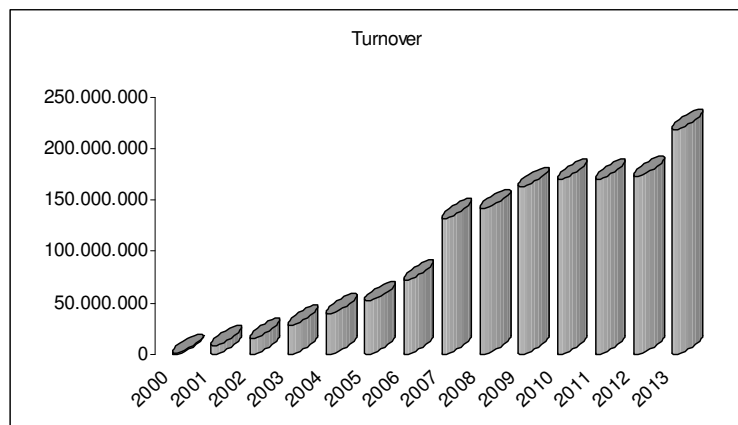


Fig. 1: Turnover evolution (RON)

In the last registered balance sheet, in 2013, the revenues increased with 48.874.737 RON that means 28,25 %, compared to previous year.

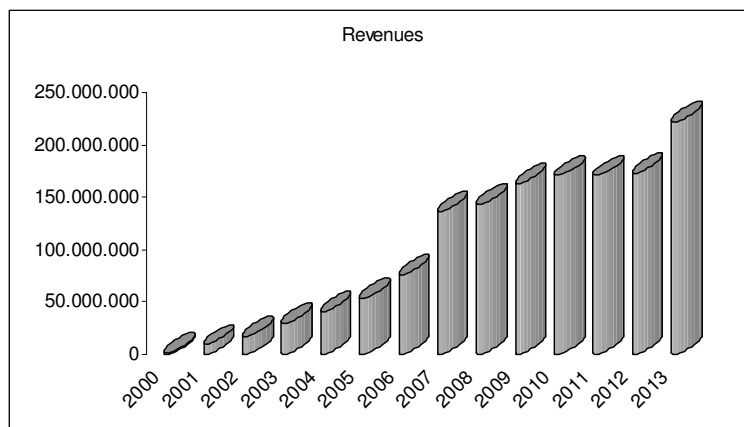


Fig.2: Revenues evolution (RON)

Costs

The costs made by "Z" Ltd are in continuously increase since 2000. From 2000 since 2013 the costs increased with 179.540.654 RON, that means 14.677,64 %.

Most of the charges were made in 2013 - 180.763.879 RON.

The fewest charges were made in 2000 - 1.223.225,00 RON.

In the balance sheet of the year 2013 the costs increased with 9.610.890 RON, that means 5,61 %, compared to the previous year.

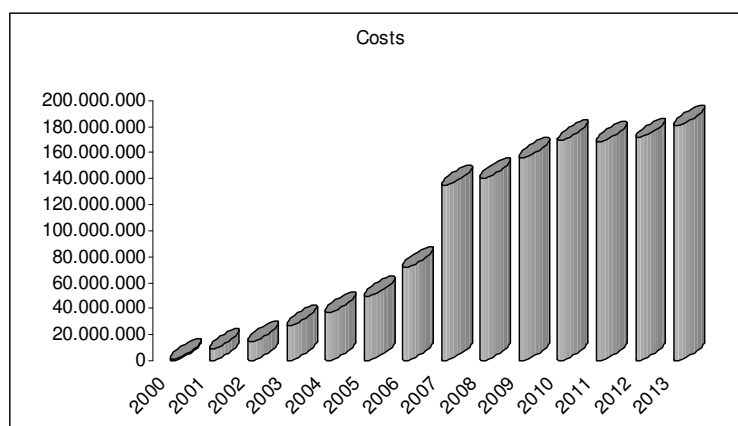


Fig.3: Costs evolution (RON)

Profit/loss

"Z" Ltd obtained profit in 2002-2013 and losses in 2000 and 2001. The profit was lower in 2007 - 2008 and increased in 2009. Between 2009-2012 the profit was almost constant.

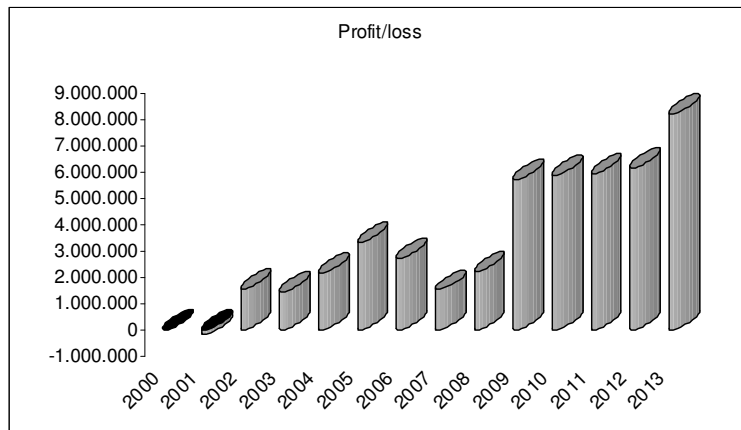


Fig. 4: Revenue/costs (profit/loss) evolution (RON)

Debts

The debts of "Z" Ltd have an ascending trend with some decreases in 2006, 2008 -2013. The values were 23.558.363,00 RON - 2006, 34.526.259,00 RON - 2008, 18.093.458RON - 2013.

Since 2000 till 2013 the debts are increased with 15.016.379,00 RON, that means 488%.

The higher due has been in 2007: 35.977.186,00 RON.

The lower due has been in 2000: 3.077.079,00 RON.

According to the balance sheet of 2013, the debts have fallen with cu 4.364.783 RON that means 19,43 % compared to the previous year.

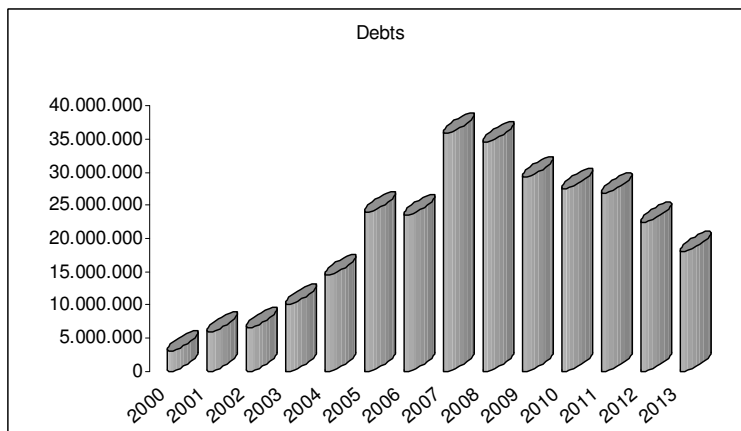


Fig. 5: Debts evolution (RON)

Employees

The number of employees of the "Z" Ltd has an ascending evolution. Since 2000 up to 2013 the number of employees has increased with 520 that means 611,76%.

Most employees have been in 2007: 747. Less employees have been in 2000: 85

According to the balance sheet of 2013, the number on the employees falls with 19 persons, that means 3,04 %, compared to the previous year.

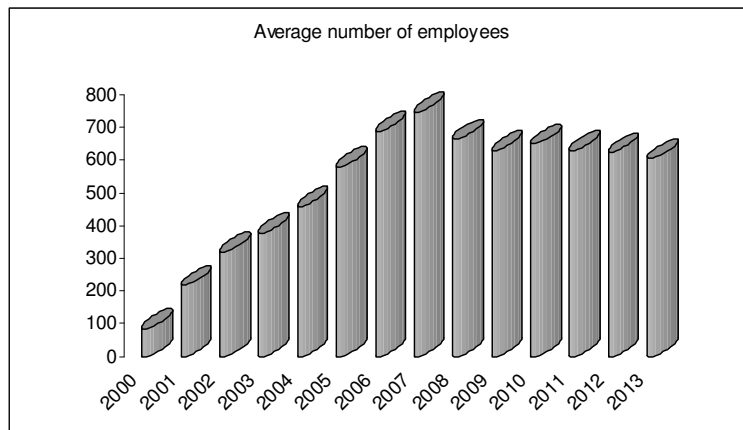


Fig.6. Employees evolution

From the analysis diagnosis we have summarised the main strong points and weak points, at the company level [5,6,7,8].

Strengths:

- the turnover increase since 2000 till 2013
- the revenues increase since 2000 till 2013. Between 2006-2007 the growth was exponential.
- the costs increase since 2000 till 2013
- the profit was fluctuating but since 2002 increase till 2013
- the existence of some labels that allows workers to check at any time payment for work performed
- the furniture made by the "Z" company is delivered in 20 European countries.
- the staff has the technical and economic training
- the supply is made to external suppliers;
- the use of raw materials and high-quality materials
- small stock of finished goods
- frequent training sessions for staff specialization
- staff attachment toward the company and its objectives
- teamwork
- the company has qualified staff to develop and implement new technologies;
- were modernized and upgraded sections with computerized equipment leading to increased production;
- the company is very well informed and participate in trade fairs and exhibitions of specialty both in the country and abroad
- the company is constantly concerned to maintain and develop relationships with the current partners, as well as the discovery of new potential collaborators.
- the company uses a participatory management at all levels by promoting teamwork to achieve the objectives;
- the company uses a system of self-stimulation of the staff to lead to motivate him to work at full capacity to deliver products on time

Weakness:

- High level of the tax on profit and wages;
- long time for debt recovery;
- fluctuated incomes;
- fluctuated employees number
- the wages have had a higher growth rate of labour productivity but lower than inflation

Opportunities:

- high product demand will extend the market of the products both in Europe and in other countries.

Threats:

- A strong competition with products produced in other countries
- increase in price of raw materials
- the lack of qualified permanent staff

Recommendations:

- preparation and training of specialists for departments where there is a shortfall of qualified personnel
- modernisation of production units
- purchase of new modern equipment and adequate software

3. CONCLUSIONS

The years of crisis have affected the furniture industry in Romania. This aspect comes from the graphs presented above. From a management point of view, the furniture industry in Romania is faced with problems related to human resources management, financial management, forecasting and planning, investment and manufacturing management. Lack of workers, increasing prices of raw materials and utilities emphasizes furniture industry problems.

Some commercial companies are concerned with the implementation of new strategies that lead to the development of high quality products, which are offered to the clients as quickly as possible.[11,12,13]. Achieving this objective leads directly to the success of the company and getting the profit.

Development and implementation of new technologies and computer equipment leads to:

- productivity increase
- increase in product quality
- lower production costs
- disposal of stocks

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