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EFFICIENT CORPORATE STRATEGIES FOR SHORT AND MEDIUM STAGES

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Abstract *As a result of the presented material, we concluded that the firm competitive strategy of economic enterprises, it's a way of action who permits the description of a mission and the perimeter of development of global activities organization, but also the modalities of creation or increase, which compose the diverse values of activities.*

Key words:
Strategies, relations, business
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1. Introduction

Establish and achieve of an objective, purpose, by an individual or group of individuals, led to appearance of the strategy and political terms (Quinn, 1980, p. 3), which fervently, specialists and ordinary people, join or replace it, almost, meaningless.

Through the strategy, the world has come to understand many things. From "behavior by man or machine during a game or a conflict" (Marcu, 2000) and up to the states and communities of states and understandings between different local entities, regional and international, meet various strategies.

Under the pressure of the urgent need for action to economic streamline, political, military, cultural, etc. taken at micro, meso and macro social term, the strategy gained special and singular significance, more or less appropriate to the context.

Generally, it is an establishement (gnosiological and ethical) (Lukács, 1985, 187) of goal, objective and means of achieving of that aim, in itself, or a means to achieve another interest.

2. Strategy as conceptual entity

The most interesting definitions are:

- "the strategy groups together the determination of the objectives for a long period of a company (firm), defines the steps and the necessary resources, in order to achieve them" [1] (Chandler, 1962);

- "the strategy is the essential way of the using and predicting the resources, as well as the way of the interaction between the firm and its environment, showing the manner in which it will achieve the established objectives" [4] (Hofer and Schendel, 1978);

- the definition of the Porter, who reduces the concept to the business strategy is "the establishment of a favorable position in a field, a position at the same time that is advantageous and can be shielded by the forces which determine the competition in that field. The strategy is the way in which this competition advantage can be achieved" (Porter, 1982);

- it is necessary to use the term strategy for those actions which consolidate the position of the firm in comparison with its competitors. It is necessary to be made a difference between these actions and those which have the purpose to realize the operational improvements, such as the profitability increasing, the improvement of the organization or a superior qualification of the staff […] this while the weaknesses or the internal inefficiency can be tolerated for a period, the deterioration of the firm position, in comparison with its competitors, can put in danger the firm" (Ohmae, 1998);

- "the strategy is the art of hiring, for a long time, the firm to realize some advantages as a result of the competition game and evolution of its external medium" (Gervais, 1995);

- "to elaborate a strategy suppose to choose those fields in which the firm wants to advance and to allocate the necessary resources in order to succeed in maintaining and developing the activities in those fields" (Stratégor Politique Générale de l'Entreprise, 1997).

This last definition groups together two different strategy levels:

- *corporate strategy* which determines the fields of the firm, leading it to start or to withdraw from a specific field, with the purpose to realize a balanced portfolio of activities.

- *business strategy* which refers to each field above-mentioned, showing the actions that the firm takes to get a favorable position in comparison with its competitors in the specific field.

The essential difference between these two strategy levels is the fact that while the corporate strategy, called too *primary strategy,* appoints the fields where the firm will start to develop, the business strategy, called too *secondary strategy*, identifies the actions and the objectives for the field appointed before.

The business environment is defined in comparison with some precisely points (customers, suppliers, competitors), and for that reason is necessary to realize an internal and external plan before planning a new strategy.

- *operational strategy* which determines the ways in which the different elements that form the organization, such as resources or competences or personal motivations combine to implement the strategies from the other two levels above-mentioned.

In this way it is formed a strategic behavior that makes possible the operative using of the firm resources, having in view the opportunities and the menaces from the business environment, the technological changes, anticipating and preparing the possible entering and withdrawals from the competitors field. In fact at this level of secondary strategy appears the competition game.

The essence of the business strategy groups has two essential concepts: objective (strategic planning-mission) and competition arm.

The strategic planning-mission includes the general objectives of the firm and represents the directions of its efforts in order to get a position in that field (Nenciu, 2009).

The analysis models of the activities portfolio that organize the strategic decisions, depending on the competition position of the firm and the evolution of the field (quantified with the help of some indicators such as increasing rate or attraction rate of the sector), propose a series of strategic alternatives by confrontation between two criteria: (market quotation increasing) and harvest (immediately profitability), under the following forms:

- Development conception, which aims at the obtaining of profits for a long period by accumulation of new market parts until it is obtained the leader (Kotler, 1980) position. This implies some commercial and technological competences that permit to the firm to dominate its competitors and to develop.

- Re-launching concept which aims at the stopping of an incipient decline and finding a “healthy” position for a long time. This suppose a financial improvement and than the fixation of the prices, the rationalization of the product lines and if is necessary the direction towards other fields.

- Profitability concept that aims at the maximum exploitation of an activity before to renounce to it or to exclude it from the portfolio. In this case a market quotation is preferred, than immediately profits.

3. Using cost strategies

The essential objective of the business strategies is to realize and to give to the firm a lasting competitive advantage in front of its competitors. Business strategies have a decisive role in the determination of the performance level of the respective activity, knowing that this concept is judged by the analysts, starting from a series of criteria such as: increasing, profitability, productivity etc.

The cost strategy represents the strategic decisions which direct the firm efforts to reduce its fabrication costs, including here the unitary costs of the manufacturing, as well as the conception, design, distribution and promoting costs.

These strategies underline the fact that a firm is more competitive if has the lowest costs from the field, in other words the competitive advantage of the firm is direct proportional to its capacity to reduce its costs to the minimum in comparison with its direct competitors.

To reduce the costs means to realize some resources savings for the manufacturing of a product unit, this fact is encouraged by the using of concepts such as experience effect and its strategic implications.

The theory (Boston Consulting Group. 1980) of the experience effect connects two coordinates of the activity: the *cumulative production (Qex)* which is a measure of the activity volume of the firm and *the unitary cost of a product*; in this way the total unitary cost of a product decreases with a constant percentage each time when the cumulative production of the firm for that product doubles, with the specification that this unitary cost is measured in constant monetary units, canceling the inflation effect.

The constant decreasing of the cost with the doubling of the cumulative production varies depending on the field, being in the interval of 10%-30%, that in the conditions of an increasing of the quantitative factor allow the obtaining of an decreasing curve of the unitary cost, called in the economic theory experience curve.

This curve do not belong only to one firm, it belongs to the entire field, depending on the efficiencies of that field, being here a constant indicator (but not with automatic applicability) for all the competitive firms.

The unitary cost of a firm wanders from the experience curve, making the cost derive. The experience effect is an empiric phenomenon which has three causes:

1) economies of scale and volume effect;

2) learning effect ;

3) the effect of the progressive implementation of some innovative elements;

4) the unitary costs of an activity level decreases when the production capacities and the sales volume increase.

Economies of scale come from the repartition of the fixed expenses to a superior volume of the goods produced and from the reduction of the investments in the capacity unit when the total capacity of the production increases. Besides the economies of scale, it is observed too, the existence of a volume effect that means the improvement of the negotiation capacity of the firm in comparison with its partners (customers and suppliers) with the increasing of its volume that allows establishing an important place in the relationships with the suppliers.

So appear:

1) the learning effect (identified wrongly with the experience) is the improvement of the work productivity owing to the increasing of the proficiency and the execution speed of an operation or of the product with the realization of it in a repetitive manner.

2) Experience gaining allows to the firm to bring some modifications of the products manufactured by eliminating the unnecessary elements, or by the endowment with improved or innovative components (esthetic, functional, security of using etc), in a progressive manner when the conception and the manufacturing improve.

4. Conclusions

In conclusion, specialization types are different, depending on the two criteria presented above and which can be made up in the coordinates of a matrix which has: the segments which the company focuses on can refer to: customers, type of products, geographical area or distribution network. This strategic aim chosen by the company estimates that it is competent because it offers either products at a low price or differentiated products towards those existent on the market, answering in a better way to the specific needs of that aimed segment.

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