

THE STRATEGIC PLANNING WITHIN THE ENTERPRISE PRODUCING ROAD VEHICLES

PhD. Student .Nicolae-Daniel PETRESCU

Bucharest Academy of Economic Studies

Key words:, marketing, strategic planning, road vehicles, management.

Abstract:

We can look at the planning as the first function of the management because it will take place before the other functions, the avoidance of errors, the economy of resources and the increase of the company activity performances may be achieved through the planning activity. The policy of the organization producing the road vehicles remains the same as long as the organization will carry out its activity or it may be changed when the managerial team will be also changed. As we said before, throughout the whole period of the application of the policy of the organization producing the road vehicles. The main objective of the strategic planning for the companies producing road vehicles is to establish the main objective of activity of the company and that of the organization of the activities in order to obtain the expected results and the achievement of the objectives. The strategic planning has as distinctive element the approach of the content elements of the management and strategic marketing as a process, made up of successive stages (phases), being in interdependent relations. The action carried out by cascade involves the passage of each phase step by step.

We can look at the planning as the first function of the management because it will take place before the other functions, the avoidance of errors, the economy of resources and the increase of the company activity performances may be achieved through the planning activity.

For the producers of road vehicles, the planning is the activity that allows the managers to define the objectives and their achievement methods, thus the planning activity “takes place before the organization, training, coordination and control. The

planning generates and lays the foundation for the organization of the resources and activities. Even if the structure of the organization allows the fulfillment of the objectives, it could suffer modifications in case of change of the objectives.” (D Popescu, Management, p 48)

The management and marketing expresses its prognosis function through the realisation of the policies, strategies and tactics of the organization in relation to the activity carried out by the organizations at the level of micro- and macro- environment.

We cannot speak about the elaboration and planning of a strategy without mentioning the **policy of the organization** “understood as tactics or even an annual plan, as a result of the strategy breakdown by periods of one year and having the same components as the strategy of the organization, but in relation to shorter periods of time”; in other circumstances, the policy of the organization refers to a longer time duration having the importance of a general behavior of the company and thus influencing all the management processes. (E. Burduş, *Tratat de management*, p. 617)

The policy of the organization is represented by “the way in which the company conceives the development of its activity, perspective lines and practical, concrete actions that aim the valorization of its potential in accordance with the environment requirements. Gathering the relevant strategies and tactics, the policy designates a certain own ”style” of the company, a specific action manner.” (T. Gavrilă, *Managementul general al firmei*, p.139)

The policy of the organization influences the orientations of the companies producing road vehicles influencing the entire activity of the enterprise, therefore its management and marketing activities.

At the same time, the policy of the organization producing road vehicles establishes the principles that substantiate the directions of the company evolution. “Essentially, the policy of the company includes a set of short-term objectives that refer either to the whole activities or to its major components, together with the volume and structure of the available resources, the major actions to be undertaken, the main responsible people and the executants, the financing sources, the final and intermediate deadlines, the overall and partial efficiency indicators” (I. Popa, *Management Strategic*, p 214).

The policy of the organization producing the road vehicles remains the same as long as the organization will carry out its activity or it may be changed when the managerial team will be also changed. As we said before, throughout the whole period of the application of the policy of the organization producing the road vehicles, this “will influence all the management and execution processes in the respective organization, it will be the basis of the substantiation and elaboration of the organization strategy”. (E. Burduş, *Tratat de management*, p. 618)

The marketing policy is considered “a step of the modern company, conceived in a marketing vision, materialized in a coherent ensemble of strategies and tactics by means of which the achievement of certain objectives is followed. By a marketing policy effectively promoted in practice, the company asserts a certain style, a certain specific manner of approach and the settlement of the relationships with its external environment, especially with the market.” (C.Florescu, P. Malcomete, N. Al. Pop,(coordinators),*Marketing dictionar explicativ*, p. 532)

The marketing policy will reflect upon the specific objectives of the company and their achievement methods. The main elements of the marketing policy within the

companies producing road vehicles are represented by the marketing strategies applied by the respective companies.

“Since the organizations are open systems, they must have relations with the environment in order to procure its resources and information they need to function in an efficient manner. These links are definitive for the strategy of the organization, as an assembly of answers to the environment constraints”. (E. Burduş, *Managementul schimbării organizaționale*, p. 90)

Following this idea and for a good coordination of the company activities, the idea of the strategy planning occurs. The strategic planning represents “an integrated activity in the function of the management provision based on which the company acts in order to formulate and implement a strategy.” (I. Dumitru, *Marketing strategic*, p. 18)

Another definition of the strategic planning concept is: “the strategic planning is the process that consists in the formulation of long term objectives and strategies at the level of the organization, meant to ensure a viable relation between its own resources and environment, favourable to the development and achievement of its essential scope.” (N. Al. Pop (coordonator), *Marketing strategic*, p. 177)

For the companies producing the road vehicles that have an economic activity on the international markets, we can say that the “strategic planning of international marketing may be considered a process for the development of the company strategies for the international market while the operational planning of international marketing as a process for the achievement of the marketing strategies.” (V. Danciu, *Marketing strategic competitiv*, p. 51)

The role of the strategic planning is to try and remove the errors and to be able to help the company producing the road vehicles could anticipate the changes and face any difficult situation occurred.

The strategic planning must ensure the long term passage of the organization from the position held within the environment and of the market to a new, more advantageous position, all these being made using the marketing strategies.

The main objective of the strategic planning for the companies producing road vehicles is to establish the main objective of activity of the company and that of the organization of the activities in order to obtain the expected results and the achievement of the objectives.

The definition of Professor Philip Kotler mentioning that the strategic planning is defined by three essential fields, it may be used within the companies producing the road vehicles: “The strategic planning imposes actions in three essential areas: The first is the management of the company activities as a portfolio of investments. The second implies the evaluation of each best card of the activity by considering the rythm of the market increase, as well as of the position and of the company correspondence with the market. The third is the establishment of the strategy.” (Ph. Kotler, *Managementul Marketingului*, 2006, p. 117)

For each activity, the company producing road vehicles must draw up a plan in order to be able to fulfill its long term objectives.

The strategic planning is defined by “three components”:

- Establishment of the current and potential business portfolio of the company;
- The correct definition of the profitability potential of each component of the activity portfolio;

- The elaboration of the company development strategy within which an absolutely special position is occupied by the marketing strategy.” (I. Dumitru, Marketing strategic, p. 18-19)

The strategic planning is also defined by four organizational levels: the level of corporation, the level of the division, the level of the activity unit and the level of the product. The main headquarters of the corporation is responsible for the conception of the corporation’s strategic plan, a plan that will guide the entire company. Decisions about the quantities allocated to each division and about the activities that are to be launched or eliminated are being made within the central headquarters. Each division establishes a plan for the allocation of funds, for each unit of activity within the division. Each unit of activity conceives a strategic plan to be profitable in the future. For each level of the product (line of road vehicle, brand) within the unit of activity, a marketing plan will be drawn up for the achievement of its objectives on the product market. (Ph. Kotler, Managementul Marketingului , p. 118)

The marketing plan is the main instrument for the management, guidance and coordination of the marketing effort of the company producing the road vehicles. The marketing plans are conceived by teams from the entire company producing road vehicles, being subsequently implemented at the proper levels of the entire organization.

In order to obtain a competitive advantage, an organization must develop its processes by using the workers’ specialty knowledge and to combine the knowledge with the available tangible resources in such a way as to give value to the organization and its clients.

When efficiently carried out, these organizational processes known under the name of capabilities, they will allow a business to bring resources together and to distribute them in advantageous ways. (Douglas W. Vorhies, Larry Yarbrough, Marketing’s Role in the Development of Competitive Advantage: Evidence from the Motor Carrier Industry, Journal of Market Focused Management, 2, 361–386 (1998), p. 361)

The international automotive manufacturing companies will have to focus on many more directions to fulfill the “strategic decisions”:

- The long-term orientation of the evolution of the company;
- The identification of the general objectives of the company;
- The settlement of the structure of the organization;
- The correlation of the activities with the evolution of the external environment with a view to the optimization of the opportunities and stultification of the threats;
- The correlation of the activities of the company with the possibilities and the existing resources in the internal framework of the company;
- The elaboration of the company’s strategy” (N. Al. POP, I. Dumitru , Marketing internațional, p. 202)

The automotive will have to be produced on a long period of time for the potential buyers to be encouraged in the purchase of the new products; therewith they are obliged to transfer a part of the production in different areas of the globe. Mitsubishi states that Outlander is sold very good and probably the same thing will happen with the new Lancer. To satisfy the demand for the two models Mitsubishi Motors Corporation decided to transfer starting with 2008 the production for the model Outlander intended for the European market from Nagoya factory, Okazaki at the

European Production Centre NedCar, location where is produced the best Mitsubishi product from the European market. The new SUV PSA Peugeot-Citroen will be produced at the facilities from Nagoya, realized on the same platform as Outlander, while the new Lancer will move its production location at Mizushima factory from Kurashiki.

Mitsubishi Motors Corporation tries to identify and settle few general objectives of the company by the influence of the ecology and technology on its products. The introduction of the ZT concept is characterized by borrowing the front from Mitsubishi Lancer, but the rest of the design is different and intends to underline the solidity of the construction and sportsmanship; the two are guaranteed by the propeller turbodiesel of 2.2 litres which has a power of 188 CP and peak torque of 400 Nm. “ The layer that covers it contains a recyclable car which, together with other ecological materials used at the fabrication of the interior demonstrates the guarantee that Mitsubishi shows to the outside. But this is not the only thing that must be mentioned at a ZT concept this one propelling few safety latter-day passive systems” (Mitsubishi magazine 1/2007, p. 5) such as the pre-crash system, the one which prevents the accidents at the change of the band direction, sensor system and cameras which may determine the objects that are found on the range of car parking. The safety chapter hasn't been forgotten by the Mitsubishi producer this one coming with improvements in the integrate drive system controlled electronically and differential front with limited skidding that are meant to control the car riding on the highway.

Henry Mintzberg states on the models of the process of **strategic planning** : “only one set of concepts can be found at the basis of all the theories proposed in terms of formalization of the process of settling of a strategy. This has sometimes been called SWOT model (strengths and weaknesses, opportunities and threats)” (H. Mintzberg, *Ascensiunea si declinul planificarii strategice*, p. 52)

Using the SWOT model the automotive manufacturing factories will have to make two types of analysis: the external analysis where the threats and opportunities from the framework where business is done are evaluated, and the internal analysis where the strengths and weaknesses of the organization are evaluated. After the two stages will be determined the “key factors of success” and the “distinctive competences” according to Henry Mintzberg; the next step will be to create a strategy and after that will be done the evaluation of the versions. The chosen strategy will be implemented in the final stage. “Essentially, this analysis is a synthesis of the marketing audit which presents the strengths and weaknesses of an organization, the opportunities and threats of the external environment” (V. Balaure Marketing, p. 595) In international marketing, in the automotive sector, the motivations of the strategic planning are:

The rapid changes that happen on the international automotive market having certain specific characteristics. The main changes are those seen by the enhancement of the competition, the modification of the client's behavior, the permanent automotive innovation. A good example for the accommodation at the new requirements is the one of the automotive producer Opel. They state to have launched in 2007 a new range Astra- including the Astra Sedan modeltwo new Corsa models, the Antara model has been launched on the market as well as the Roadster which looks gorgeous, has amazing performance, all at an accessible price. With a view to engines they launched on the market, for the Astra model, a new motopropeler 110 CP, available with a manual drive; they also focused on decreasing the pollution.

They introduced the automatic gearbox in 2008 with 6 stages for Vectra OPC model, as well as the apparition of the new Agila model. They also made improvements at the Zafira model, a special edition of the Astra Twin Top model as well as important changes at the ranges Vectra and Signum.

“The increased needs for information that should allow the correct substantiation of the long term decisions, the substantiation, execution and control of the international marketing activities .” (V. Danciu, Marketing strategic competitiv, p. 52)

“The strategic planning has as distinctive element the approach of the content elements of the management and strategic marketing as a process, made up of successive stages (phases), being in interdependent relations. The action carried out by cascade involves the passage of each phase step by step”. (V. Olteanu, Management-Marketing, p. 146)

The strategic planning is one of the most important items in the conception, beginning and later in the survival of the company producing road vehicles. The development of a strategic plan will mean the determination of factors in a future action method and in the positioning of the road vehicle produced, in the client’s mind, by the differentiation towards its competitors.

BIBLIOGRAPHY

1. Balaure V. (coordonator), Marketing, Editura Uranus, București 2002
2. Burdus E., Caprarescu G., Androniceanu A., Managementul schimbării organizationale, Editura Economică, București 2008
3. Burduș E., Tratat de management, Editura Economică, București 2005
4. Danciu V., Marketing strategic competitiv, Editura Economică, București 2004
5. Dumitru I., Marketing strategic, Editura Uranus, București 2004
6. Florescu C., Mâlcome P., Pop N. Al. (coordonatori), Marketing dicționar explicativ, Editura Economică, București 2003
7. Gavrilă T. (coordonator), Managementul general al firmei, Editura Economică, București 2004
8. Kotler Ph., Managementul Marketingului, Editura Teora, București 2006
9. Mintzberg H., Ascensiunea și declinul planificării strategice, Editura Publica, București 2008
10. Mitsubishi magazine, 2007
11. Olteanu V., Management–marketing, Editura Ecomar, București 2006
12. Pop N. Al. (coordonator), Marketing Strategic, Editura Economică, București 2000
13. Pop N. Al., Dumitru I., Marketing internațional, Editura Uranus, București 2001
14. Popa I., Management strategic, Editura Economică, București 2004
15. Popescu D., Management, Editura Economică, București 2006
16. Vorhies D. W., Yarbrough L. , Marketing’s Role in the Development of Competitive Advantage: Evidence from the Motor Carrier Industry, Journal of Market Focused Management, pag. 161, 1998