Diagnostic Analysis of the Activity - Effective Management Tool in the Company

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ABSTRACT

With the current globalization nowadays, it requires more and more need for economic and financial indicators by which an organization's management to decide how best and in a short time. Competition increasingly fierce drives managers of companies to carry out extensive work in marketing and economic analysis. Existence of analysts from different fields of activity within an enterprise is key to achieving the desired performance of each.

This paper allows an image of this activity base. Through case study, put theory into practice diagnostic analysis, helping to better understand it.

Introduction

Investigation of economic reality; it is a specific approach that integrates classical vision based upon knowledge of causal relations and the domestic laws of the formation and evolution of phenomena, with the systemic study based upon their consistency in a constantly changing environment. So this approach enables not only a really unusual about assessment was correct, but both opportunities and identify weaknesses and development necessary to support management decisions.

Strategic management is a continuous management process by which the organization maintains a permanent adaptation to the requirements of the reference environment by harmonizing "forces" and "weaknesses" internal "threats" and "both opportunities" external and developing the various stakeholders a clear vision of what the organization should become. The purpose of strategic management is a strategic planning.

Through various methods and techniques encountered in diagnostic analysis is much easier access to certain information such seemingly hidden functional decision making at any level is much easier.

But to perform a diagnostic analysis good, very important is the information we hold. Thus, simple incorrect information can lead to a long line of erroneous conclusions, which in turn lead to wrong decision that can affect the course of the entire activity. No wonder that most of the time is occupied by intelligence and less self-analysis.
The goal of any diagnostic analysis is to identify solutions that the organization, based on their strengths and weaknesses, capitalize on individual patient may external environmental attractions which consist both opportunities and restrictions.

A very important role is played by the analyst's experience upon which the whole course of this analysis. The practical experience gained over time, finesse and depth of personal reflection observation is the basis of an analysis of exception. Although diagnostic analysis plays an important role within the organization, the organization's ability to respond to market requirements and to continuously adapt to changes is a very important feature for each organization.

**The Need for and Objectives of Diagnosis**

As decision-making, strategic management consists of several types of decisions:

- operational decisions, the self that main goal is to obtain a maximum profit from current exploitation;
- administrative decisions that are exceptional decisions, difficult Scheduled, organized and modelled;
- Strategic decisions concerning products and market on which the company has chosen its development objectives and its major orientations.

Strategic decisions are "products" most important managerial act.

Is one phase of a strategic decision on which approach quality strategic approach that includes:

- diligence;
- a strategic decision;
- implementation of the strategy;
- Development control process.

Diagnosis economic-financial managers is a handy tool that allows to judge the value of qualitative and / or quantitative status, dynamics and prospects for an economic, highlighting its strengths and weaknesses, for the capacity to grow in a profitable manner . Diagnosis approach requires the prior phase, complex analysis of the mechanism of formation and modification of specific phenomena. Society The operational activity analysis represents a set of concepts, techniques and tools that ensures treat internal and external information for the formulation of relevant assessments on the situation and a strategic economic and financial balance of it, the level and quality of its performance, the degree of risk in a highly dynamic competitive environment.

Diagnostic analysis of a strategic plan to move their organization identify solutions that based on their strengths and weaknesses, individual patient may capitalize attractions external environment consisting of both opportunities and restrictions.

Cases where there is a need to perform a diagnosis can be divided along into two broad categories, namely:

- The company is in difficulties, in which case order diagnostic screen consists in detecting and correcting malfunctions enterprise and thereby clarify the causes that led to this condition;
- State enterprise is relying- ably, diagnosis purpose being to identify possible means of improving the performance and choosing the most appropriate strategy for enterprise development.

Diagnostic surgery may be done at a specific problem or the entire economic and financial policy, in normal situations and in alert situations. With the diagnosis, a company site may identify his own strength and weakness with in relation to the means available and with both opportunities and threats cropped at her. In this way, the management company has the ability in finding solutions to problems or optimization of the activity. In the context of failures observed Instead, let us trace analysis looks for the causes of these phenomena. The major cause and consent of the company may establish measures to redress. If analysis is done in
terms of prosperity of the company, the results help to establish the objective of development and the proper way to achieve it.

**Motivation is the diagnosis:**
- knowledge and understanding of health unusual about the company;
- informing partners about society The performance and condition;
- development key factors determining enterprise and the connection between them;
- establishing or improving recovery measure by performance;
- understanding the competitive context in which the company operates;
- Substantiate the strategic directions of development in a dynamic competitive environment.

Gets a firm diagnosis must consider, in particular: identifying the strengths and weaknesses of the enterprise; identifying both opportunities and uncertainties of the external environment of the company.

**Phases of Diagnostic**

Achieving reliability analysis and conclusions drawn depend on the organization of it, both the analyst and the society. Practical operational activity diagnostic steps are:

A. Analytic plan development: analysis objectives, period of analysis, the venue, the time of making the analysis. Material content of the plan depends on the objectives of the analysis, while by considering the level at which the analysis will be done;

B. documentary research is intermediate stage in which the database ensures NECESSARY investigation;

C. verify the information, which can be: formal education (checking information carriers, Arithmetic (control calculations), background (it checks to see if the indicators were calculated by observing the rules in force);

D. work-up information by applying analytic methodology;

E. Drafting the final report.

Report as evidence of achievement alone in the major cause diagnosis, you have to meet a series of conditions and content formats that are very important for the image analyst or the major cause cabinet. This report presents a text drafted by experts respectively in proportion necessary comprising digital data and graphic representations. It is structured as follows:

I. introductory part, which specifies requirements to perform the analysis;

II. content comprising:
   a) Phase presents descriptive in that: volume, structure and condition of the internal potential; results; behaviour of employees; the competitive and market trends; socio-political and economic context;
   b) Phase explanatory factors are synthesized acted, their action causes, strengths and weaknesses of the company. In this Turn conclusions we need to take logical, consistent, and ranked according to importance and their role in the decision process.

III. Proposals and recommendations.

   F. Turn communication is a presentation and discussion of the report, that the recommendation given, with the leadership society. Objectives of economic and financial diagnosis are adjusting the code while in accordance with our socio-economic system global developments on the one hand, and the mature stage of the company, on the other hand.
Diagnosis Analyze of Company

Rompetrol Rafinare, a member company of Rompetrol Group, operates the most modern refinery in Romania, combining the new oil processing technologies with the experience of a professional team.

The company processes a variety of crude oils with high sulphur and API contents. The crude oil feeding is done through the Midia own port, which can harbour ships of up to DWT 24,000 tons or through the larger Constanta port, to which it is connected through a 40 kilometre pipe. The refinery has its own marshalling yard, with 40 loading and unloading points and vehicle loading ramps.

Performance is a state enterprise competitiveness achieved through a level of efficiency and productivity that ensure a sustainable presence in the market.

To measure profitability, using two categories of indicators: profits and rates of return. Absolute size of return is reflected in profit, and the degree to which capital or resource that brings profit society is reflected by the rate of return. Profit and loss allows its content to determine the three partial indicators of profitability: the operation result, financial results and extraordinary result. This allows the determination of global indicator of profitability: profit or loss (before and after taxes).

Self-financing capacity is a monetary indicator on the profit or loss resulting from monetary income confrontation with monetary expenses, including income taxes. Unlike gross result of exploitation, which refers only to the operating activities, cash flow capacity takes into account all sides of the business enterprise.

It may be observed the fact that the company has made great efforts over the past three years to maintain the coverage of current liabilities from current activity. Liquidity risk derive from the possibility that financial resources can be made available so that they do not honour designed for use in time due obligations. Management Company watches to see daily, with forecasted cash flow, liquidity and ensuring the obligations toward providers, state budget, local budgets, according to their maturity.

Given the diagnostic analysis and this was done in this project, it can be said The fact that the company is going through an exciting period heavy, which is determined mainly by the economic crisis went global. In the past three years analysed, the result or only recorded negative total result being influenced so unfavourable international economic context, international developments of quotations oil and fuel as well as a number of domestic macroeconomic factors such as currency depreciation. Like any economic organization, the company has both strengths and weaknesses of society the lead managers and keep system we need to take into account. Some of the strengths that result from diagnostic analysis this was done are: good planning and organization of production, the continuity of the activity, personal experience and knowledge, a HIGH, quality products, increased processing capacity, "rejuvenation" A decrease in fixed assets by the degree of wear of the year the year and good relations managers - employees. As weak points can be mentioned losses in the last three years, media personnel by age 46 years, and the trend decline in labour productivity in the Petromidia. Also, the dispute about the salary in 2010 can be classified as a weak point. Given that we live in an ever changing technologies that are increasingly better every company must take into account trends in the external environment that it can benefit or loss. The export growth, reducing the purchase price of the raw material and attracting students from faculty’s profile.

To conduct operational activity in society the better conditions, I believe that one can take a range of measures to streamline Instead, let us both work and management. My opinion is that we should improve the communication between management and employees by diversifying media (internet, intranet). Given the relatively small cost of such actions can be done from their own resources, thus ensuring direct communication in a very short time. I consider this as potential litigation related to various problems can be avoided through communication. Given the media by age society the staffs believes that hiring graduates after
eventually faculties profile within society. The practice may be appropriate. They can be prepared the various specialized courses funded by its own resources or attracted, courses that do not last more than a month, during which they support different exams to prove of interest and to continue the course. I suggest this because I think well-trained staffs are the key to a company in return gave. I also believe that due to high efficiency of these courses cover the cost.

Another suggestion is that the company maintain the high quality of products made, and even to improve its performance continuously to ensure the loyalty of existing customers. This can be done by hiring engineers with which company to reach a higher level in terms of inventions and innovations. In the specific context of open market petroleum products, marked by increased volatility of prices, I believe that the implementation in the shortest time, a risk management is opportune, the main objective being to mitigate the impact of price risk on crude oil and products oil. I also think that one of the most important activities that must fulfil the company is marketing as that is analysing markets that are in constant change, it creates a picture of it and are more visible opportunities and threats unpredictable environment that often cause unexpected situation turns. This marketing activity must be conducted consistently and in this crisis, it has intensified.

Conclusions

Rompetrol Rafinare significant improvement has taken action by refining efficiency and reducing operational activity of consumption and technological losses. Investments were made in upgrading the refinery production, increased environmental protection, in order to obtain petroleum products in accordance with EU norms.

From these considerations it follows that society, regarded as a whole, self-productive, being a strong competitor on the market. Like any other company, it has strengths and weaknesses, but it is making significant efforts to streamline activities and to achieve customer satisfaction.

Taking into account the current economic context, we can say that the company must keep system account all possible threats, among them are: the deepening economic crisis, reducing quotations petroleum products in the international markets of reference, unfavourable foreign exchange differences and the increasing trend inflation.

Management of Rompetrol Rafinare We need to take account of all they keep system, minimizing some of which can have a major impact on the whole of the activities.

References