

Innovation and Entrepreneurial Strategies in Balneary Tourism

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ABSTRACT

The most recent strategic management theories consider that entrepreneurship and innovation development are favored more by certain organizational development contexts. Due to the fact that innovation became an instrument and a condition for performance, its approach should be done in a systematic way at an organizational level. Managers are responsible to develop an organizational entrepreneurial environment and to adopt innovation as the main instrument for growing.

The entrepreneurship is related to innovation and it is associated with an organizational growing process. Innovation is the foundation of the entrepreneurship model by offering new perspectives related to growth and progress.

Entrepreneurship and innovation were given special attention in the context of the European financial crisis, because they are regarded as very important aspects of economic vitality, being the essential path to sustainable economic growth.

Balneary tourism represents a great opportunity for the economic development of our country, contributing thus to the downsizing of the seasonality in Romanian tourism. The recovery of balneary tourism is beneficial throughout the entire country, and his international promoting can turn into an element of revival of Romania.

Introduction

It can be said that entrepreneurship is the "spearhead of a business". International business environment subjected to globalization trends and rapid change, especially in the context of deep economic crisis, finds in innovation a source of solutions to all problems and a way to adapt.

"The entrepreneur innovates"¹, therefore the evolution of change is sustained by innovations, by rethinking what we do and reinventing the industry we operate in. Howard Stevenson from Harvard Business School states that "entrepreneurs seek and succeed to value not only their own resources, but also the resources, the skills and the talents of others"².

In the capitalist economy situation, the corporate survival requires to prevent the distancing from progress, by close gathering the human resources from the organization to the

¹ Drucker F. Peter, *Selecție din lucrările de management ale lui Peter F. Drucker*, Editura Meteor Press, București, 2010, page 141;

² Howard H. Stevenson, *The Entrepreneurial Venture*, Harvard Business School Press, London, 2009, page 10;

innovation and Research & Development activities. There is sufficient evidence to show a direct link between innovation and organizational efficiency and efficacy.

In our country, at a declaratory level, the innovation and entrepreneurship strategy is subjected to current and ridiculous phenomena, because they are extremely confusing, due to the fact that it doesn't exist a competitive force requiring strategic thinking in the main "actors on local arena".

The state of indifference or refusal to use the scientific tools of strategic management by entrepreneurs represents a whole process that generates instability, high costs, and leads to the companies' struggle for short-term survival, undermining the long-term development. The lack of 3-5 years strategic objectives often leads firms in a statistics position of bankrupt companies.

Romania is well-known for its balneary potential, but could not keep up with the continuous innovations of the European market and in the last twenty years, has failed to reach to the qualitative and diversity standards of European requirements. Considering all above, the touristic balneary services market in Romania is a market in decline, where entrepreneurship and innovation have not penetrated with the same force with which they have positioned themselves on the European market.

It is necessary to adopt strategies that support continuous innovation. Only in this way **unique, economic performances** are generated, representing the **essence of progress**.

Chapter I – Entrepreneurship – New Strategies and Policies for Economic Development

1.1. Entrepreneurship in the European economy

The former EU Commissioner responsible for enterprise policy, Erkki Liikanen, said: "**Small and medium enterprises form the backbone of the European economy. They are the key to entrepreneurship and innovation in the European Union and thus they are essential to ensure the EU's competitiveness.** A correct definition of SMEs facilitate the identification of their needs and the development of effective policies to offset the specific problems regarding their small size"³. **The performance of entrepreneurial strategy** is directly reflected in the evolution of SMEs.

European Union since its establishment in 1956 after the Treaty of Rome, turned its attention mainly to small and medium enterprises. Then, based on this, has appointed an European Commissioner for their support. In 1986 special programs were created for the purposes of stimulating the development of SMEs.

Then, in 1990, the XXIII General Directorate for SMEs was established as a measure of the importance given to the aspects of supporting the development and function of SMEs in the European territory.

The XXIII General Directorate for SMEs developed "five types of programs for SMEs to ensure the favorable environment for their support:

- 1) "The program to establish economic and innovation centers"** (BIC - Business INCUBATION Center) – by creating new SMEs, innovation-oriented;
- 2) "The program on providing capital for new business creation"** - the creation of new funds in all EU countries, to stimulate the formation of new SMEs;
- 3) "The euopartnership program"** - geared towards promoting the territories with the lowest economic level by supporting the development of collaborations between small and medium enterprises in that area with other SMEs;

³ European Information Centre, www.euro-info.org.uk/euronews;

- 4) **"The program for making a computerized system for economic cooperation"** – by creating a network of economic consultants from the economic area to support businesses in collaboration with other non-EU countries;
- 5) **"The program for establishing the economic information centers InfoCentre"** - which provides SMEs information on EU policies ⁴.

Currently, in all economic programs of the European Union a proper framework for SME is being developed through a system of grants and subsidized loans „in several directions:

- ✦ Financial contributions for education and training (training activities);
- ✦ Financial contributions to stimulate research and development;
- ✦ Investments in other states;
- ✦ Financial contributions to stimulate economic development"⁵.

There are, however, other funding opportunities needed to support their development:

- ✦ Euro-Tech financing for innovative projects;
- ✦ Special financing through the European Investment Fund;
- ✦ Special financing through the European Investment Bank;
- ✦ Financing through the Fund for financing of cross-border joint ventures;
- ✦ Financing through the Fund for grants for the establishment of SMEs;
- ✦ Cohesion Fund financing.

Across the European Union, SMEs cover "99% of enterprises number, over 66% from the employees number and 54% from the turnover number. Basically more than half of the VAT is created by SMEs (45% in industry, 59% in services and 81% in constructions)"⁶.

Small and medium enterprises have a vital role in the economy of European countries. They are a **source of innovation, job creation and entrepreneurial skill**.

"The list of indicators"⁷ at the European level to quantify business performance is being developed with the assistance of OECD, in continuous improvement:

- I) **Indicators of entrepreneurial performance** - measures how a country acts in entrepreneurship. Indicators are expressed in rates of entrepreneurship and quantifies the result of the process;
- II) **Entrepreneurial impact indicators** - measure the impact of entrepreneurial income;
- III) **Determinants of entrepreneurship** - measure the different aspects of the condition and quality that stimulate, support or determine entrepreneurship.

1.1.1. The 2020 Development Strategy. The impact on entrepreneurship

To return to the path of growth and to oppose the increase of unemployment rate, the European Union badly needs more entrepreneurs, heavily investing in entrepreneurship education, through cohesion programs.

Newly established SMEs annually create approximately 3.8 to 4,000,000 new workplaces, which is why a while back, the European Commission Vice President responsible for Industry and Entrepreneurship, Antonio Tajani, said: "to be very clear , more entrepreneurs mean more workplaces, more innovation and greater competitiveness. Becoming an entrepreneur and putting your vision into practice requires assuming more personal risks and efforts.

Entrepreneurs are the heroes of our times. Entrepreneurship is the most powerful catalyzer for economic growth in economic history. Therefore, we must make entrepreneurship an attractive and accessible perspective for citizens. This is the

⁴ General Report – Activities of the European Union, 2010-2012: http://europa.eu/publications/reports-booklets/general-report/index_en.htm;

⁵ European Information Centre, www.euro-info.org.uk/euronews/;

⁶ Dinu Marin, *Economia României – Întreprinderile mici și mijlocii*, Editura Economică, București, 2002, page 25;

⁷ Organisation for Economic Co-operation and Development (OECD) - STD/CSTAT (2006), Paris, 2006;

*main message of our plan of action. **If we can relaunch the european entrepreneurial potential we can jumpstart the economic growth in Europe***⁸

In Europe, the OECD (The Organisation for Economic Co-operation and Development) is the institution that provides "the configuration for responsible economic policies, with international comparative indicators on entrepreneurship, while remaining aware of the different political context from various countries analyzed. OECD proposes different indicators, each representing an element of the vast and complex entrepreneurial phenomenon. The OECD in association with EUROSTAT and national experts continually develop a new and robust **base of entrepreneurial knowledge**"⁹.

The research undertaken by Brussels officials, found that the number of new enterprises will increase due to entrepreneurship education. A quarter of students participating in the enterprises simulation programs will have their own business in the future. Entrepreneurship Universities courses can stimulate businesses, industrial alliances, business ecosystems and partnerships.

This strategy covers six key areas – where the actions supporting entrepreneurial environment are indispensable to achieve high performance:

- 1) **"access to finance"** - in addition to strengthening the existing financial tools, the Commission proposes a European market for microfinance and simplification of tax methods, in order to support small and medium enterprises to obtain funds through direct private investment;
- 2) **"assistance during crucial phases in the life cycle of business"** – about 50% of SMEs go bankrupt within five years, therefore EU member states should allocate more capital towards sustaining new SMEs to skip this period of turbulences, by providing support in the Research and Development area through training in management, and networking with various entrepreneurs, suppliers and potential clients"¹⁰.

Europe 2020 strategy is to be found in the 2010 Lisbon Agenda, which had the same purpose, for the period 2000-2010.

2010 Lisbon Agenda proved to be a failed project. The essential aim, set in 2000, was "The European Union, the most competitive economy of the world by 2010". Subsequent developments have failed to show that this goal may be a feasible one. By expanding the group, the competitiveness gap with the US and Japan grew further apart, which made EU admit, at the half of the last decade, that the proposed objective cannot be completed until 2010.



Figure 1.1. Global innovation gap
Source: *The 2010 Global Competitiveness Report*

⁸EU Regional Policy:

http://ec.europa.eu/romania/news/09012013_potential_antrepreneurial_crestere_economica_ro.htm;

⁹Dalotă Marius Dan, *Management Antrepreneurial. Fundamente teoretice, studiu de caz*, Editura Pro Universitaria, București, 2012, page 17;

¹⁰OECD: <http://search.oecd.org/officialdocuments/displaydocumentpdf/?doclanguage=en&cote=STD/CSTAT%282006%299>;

The defining elements of the study "2010 Global Competitiveness Report" indicate that the Nordic countries are the most advanced in the area of innovation, particularly as a result of the "aggressiveness" with which their companies adopt new technologies, the level of the money spent on research and development and the high level of cooperation between the private sector and universities in terms of research.

European entrepreneurs represent **the essence of progress** in all fields of activity, the promoters of change. They are the undisputed evidence in this regard.

The „2020 Europe Strategy" will have to regain past losses and **to emerge the progress toward a competitive, innovative economy based on entrepreneurial growth** through the internationalization of SMEs, improving the business environment for SMEs, renewal of the corporate social responsibility strategy, promoting the restructure of different sectors in difficulty, reviewing legislation, promotion the technologies and production methods that spare the use of natural resources and developing an effective space policy ("Galileo program").

The sources for "**entrepreneurial revolution**" are multiple, as we see in the following figure:

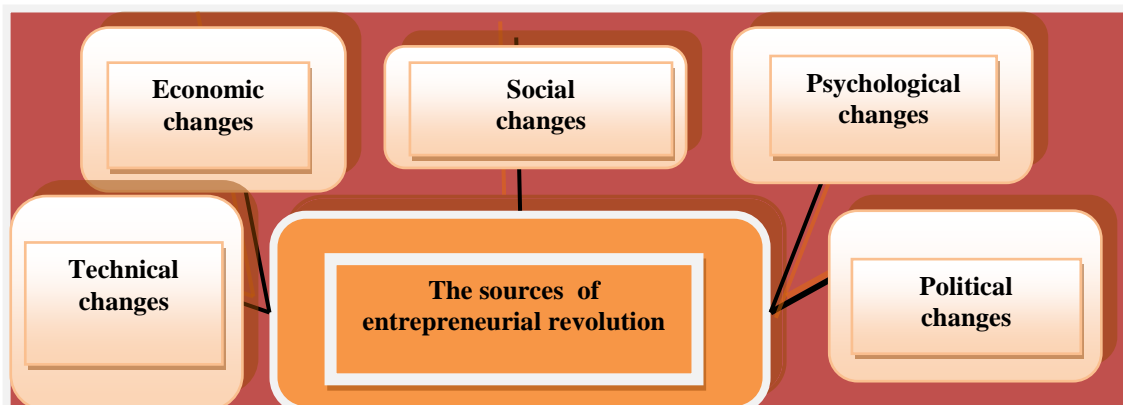


Figure 1.2. The sources of entrepreneurial revolution

Source: Nicolescu O., Nicolescu C., *Entrepreneurship and management of small and medium enterprises*, Economic Publishing House, Bucharest, 2008, page 34;

1.2. Entrepreneurship in Romanian economy

1.2.1. Entrepreneurial culture in today's Romania

Entrepreneurship should be promoted as a serious alternative for traditional career. Romanian State should promote entrepreneurship in schools, as early entrepreneurial education is vital for the formation of skills and proper behavior in Romanian society.

Boosting the SME sector "should not focus heavily on financial support measures which, although respect the competition area, may introduce more volatility in the operating conditions and in anticipation of developments in the business area. More beneficial for entrepreneurs would be ensuring a competitive, stable and predictable business environment. Government policies should stimulate SMEs competitiveness on the long term, given the shortage of competitiveness that the SME sector has in Romania, compared with SMEs from the European Union countries. At the same time, the low level of entrepreneurial development in Romania is revealed by the low density of SMEs reported to population. As a result, **SMEs fail to significantly contribute to the GDP and to the economic growth of the country, as long as there isn't a sufficiently large number of firms and a favorable environment for their foundation and growth**"¹¹.

¹¹ Study made by Post-Privatization Foundation, *Promovarea antreprenoriatului ca factor cheie pentru dezvoltarea economică*, București, 2012;

For Romania to be integrated into the EU there have been recommendations from years prior to accession to the EU to develop a structure for continuous professional training to help improve the quality of the workforce and to adapt it to the new demands of the changing labor market, to support economic development and modernization of the Romanian society. So far there are no basic steps to discuss a legal framework of understandable qualifications, applied both in the initial and continuing professional training.

The level of access to specialized courses by SME owners and their employees, can be tested through periodic opinion surveys among entrepreneurs, created by the Agency for the Implementation of Projects and Programmes for SMEs.

The conclusions drawn at the end of the polls on the current state of demand for training are:

- + The entrepreneurs interest is very low compared to the refreshment of knowledge and skills. The vast majority of business-people (70% of them) have no manager participating in training courses;
- + Middleweight firms have sent their managers in these courses in a greater measure than others. There is a good correlation between firm size and the frequency with which they send their managers in training.

Based on the research conducted, the result was that there is no form of financial incentives or additional deductions in calculating the global income tax for those who pay the courses of professional training; and the banks do not grant loans generally in favorable terms for their participation at professional trainings, except in special circumstances.

1.2.2. Romanian Entrepreneurship during the global economic crisis

In 2009, about 136,000 small and medium enterprises have suspended their activity compared to only 13,000 in 2007. At the same time, new business creation continued through the registration of approximately 116,000 SMEs. The fact that in 2009 the establishment of new businesses has not diminished in an impressive number. shows the entrepreneurial potential of Romanian companies and the need to support the continuous development of this field, ***as the main condition for exiting the economic crisis and the process of re-launching the economic progress.***

Survival is the most important issue for start-ups companies and for entrepreneurship development in Romania. However, most of the new firms that survive either remain in the category of microenterprises, or in the best case scenario they evolve becoming small enterprises.

A very few number of them are able to grow at a medium size enterprise in a short period of time. This latter group of companies, called dynamic entrepreneurial projects or, less formal, "gases", are responsible for the creation of the largest number of workplaces, innovation and added value in the socio-economic environment.

Romanian entrepreneurs' perceptions regarding the impact of the crisis resulted from the surveys developed by various private institutions or projects financed by the European Social Fund. Most common problems found were those related to difficulties arose after the spread of European economic crisis in our country. Reducing the consumers demands has been the main cause which affected the sales growth, as well as the decreasing of the costs.

1.3. Entrepreneurship and the peculiarities of tourism firms

Today, the hospitality industry presents a multitude of opportunities to those who own their own companies, as well as to their employees. Such an environment is also dangerous. We are living in a vibrant and challenging era for tourism entrepreneurs. A certain framework must be created through which the operations, the management and strategic routes can develop and focus.

In addition, ideas are directed to conventional thinking and traditional views of rejuvenation. The key issue for entrepreneurs is how to capitalize the strengths and opportunities for entrepreneurial firms, in order to achieve the necessary level of control in its development

and therefore, its survival. In this situation, the entrepreneur can easily be plunged into functional areas.

In 2008, following the financial crisis that has crossed the Atlantic, turbulences appeared in the financial area, including in the SMEs tourism field. In many cases, these companies are much more vulnerable to economic downturn than the large hotel chains, because they do not have enough resources to survive. In addition, following this crisis, SMEs have encountered many adverse situations because they did not held possibilities for accessing funding.

This industry is currently facing a decrease in the number of consumers during the economic downturn. Even the frequent changes in exchange rates in recent years have had a negative impact in this sector, through the exchanges between external and internal tourism.

Based on these considerations, entrepreneurship in tourism is the concern of more and more participants in the hospitality industry. It is promoted as a source of economic growth and as a solution to the current economic problems in this area.

A tourism company "offers a service that can be synthesized to information, to accommodation, to food and to entertainment. Therefore the travel company has a very wide field of customers. It can host business people, athletes, training seminars groups, and under the specific conditions of contemporary tourism, first it must respond to a leisure tourism"¹² and holidays, and only afterwards to business travel and events, to meet all the requirements of people who travel, regardless the reason for traveling. It is therefore obvious that the tourism entrepreneurs will reach success only if the implementation of tourism services will redefine the vision and will understand that achieving performance in the service organizations is the only criterion to value the activity.

The financial results of the tourism company depend on the entrepreneurial spirit, **by improving efficiency and introducing innovation**, strengthening thereby the competitive power and providing consumer benefits from tourism.

Chapter II: The Innovation - The Premises of Entrepreneurial Performances Growth in Tourism

The best way to differentiate between companies is innovation, and especially that of the business model and strategy. Not by better execution, by reducing costs of various activities of the company or by streamlining, we will win the competitive battle, but by finding new ways of approaching a deeply transnational process. The question that entrepreneurs must ask themselves in the tourism sector, is: **How can we continuously innovate?** Due to this fact, in recent years, companies have turned to the concept of "**customer centrality**", by placing the customer on the top of the concerns through continuous innovation strategies.

Concerns of the twentieth century: production, technology and distribution are no longer current. Globalization, the Internet and many other changes in the business environment and society have moved challenges in the customer relationship area, which is becoming more and more complex and changing, especially when it comes to services in the tourism and balneary tourism. Any company can become "**customer centric**", and the change must begin with the implementation of innovation. Including management processes must be innovated to generate the desired changes.

If we want to transform tourism companies, in order to obtain solid, sustainable competitive advantages, the innovation regarding their functioning must become a normal process, planned with allocated resources and clear objectives. This fundamental change, especially in the tourism services area represents the strongest support in changing the traditional way of management in something spectacular, new, revolutionary and diverse.

Management technology differs very little from one firm to another. **Most companies have a management hierarchy quite similar. Fulminant changes, ephemeral benefits,**

¹² Stănciulescu G., Micu C., *Managementul operațiunilor în hotelărie și restaurație*, Colecția Oeconomica, Editura C.H.Beck, București, 2012, page 214;

technological gaps, warrior competitors, cracked markets, omnipotent customers, rebellious shareholders - these are challenges of the XXI-century, capable of testing companies worldwide; also revealing the weaknesses of a management model which fails to keep up with the times. We improvise, patch and update.

We create innovative projects and departments instead of establishing innovative companies. To maintain profits, tourism entrepreneurs will have to be able to brake the rules through innovation. **"And if they want to rank above a numerous new competitors in terms of innovation and strategic thinking, they will need to learn how to determine their employees to be at their best every day. These are the challenges faced by entrepreneurs in the XXI- century"**¹³.

Continuous innovation in management, namely the innovation in services, has the unique ability to create a long-term advantage for enterprises in the tourism sector.

1.2.1. Innovation in Tourism - European benchmarks

According to Hamel and Breen, "the gradual exit out of the financial crisis and the need to respond to global challenges made innovation be more important than ever. The issues regarding climate change, food and energy security, health and population aging can be solved through innovation. Over the last 20 years, EU policy regarding innovation has made remarkable results, as well as for the continuous improvement of European performance in this area. However, the world is changing rapidly, because this is the very nature of innovation, and the European Commission prepared itself by elaborating the "**Europe 2020**" proposal for the "**A Union of Innovation**".

The European Parliament in its resolution from September 27th, 2011 referring to Europe wants to transform it in „world's touristic destination in the coming years. Structural Funds and Cohesion Fund, purpose-designed, can provide significant support to improve the competitiveness and quality of tourism at regional and local level. Infrastructure created for tourism contributes to local development, with jobs created or maintained, even in rural areas in decline or ongoing urban rehabilitation. Therefore tourism is, on the one hand, a very important tool for integrating less developed regions and on the other hand, can offer them equal access to the benefits of economic growth"¹⁴.

European experts believe that innovation in tourism is possible when there is support from all stakeholders from a strategic point of view. It can support European development and sustainability. For this, all tourism institutions should participate in achieving this goal.

Tourism is a diagonal sector, which involves several types of services and professions interconnected with other economic and political sectors. Transportation has major importance in this context, as it is a lever for sustainable development and competitiveness in the European tourism. Actions require an integrated and concentrated approach - for example if the target is placed in the middle of a relationship network with local tourism attractions – through the development of "door to door" transport. Accessibility is the key to success in the competition tourism.

One of the major concerns "of the European Commission is the seasonality. Therefore, through the innovation strategy, they created various programs such as "Calypso", whose main goal is to allow the journey to European holiday destinations to people who normally can not, while helping economies combat local seasonality demand. Other initiatives are "Low Season Tourism: 50.000-tourists" aimed to attract international tourists, or "EDEN European Destinations of Excellence" to promote sustainable tourism models in the European Union. Innovation is the key element in tourism for the European Commission. One of the examples of innovation strategy was presented by Frydman: the "TourismLink", being an European standard in the tourist B2B distribution systems for Europe, based on the "Travel Open Apps"

¹³ Hamel G., Breen B., *Viitorul Managementului. Noul ghid pentru managerii secolului XXI. Financial Times*, Editura Publica, București, 2010, pages 30-31;

¹⁴ EU Regional Policy, INFOREGIO: http://ec.europa.eu/regional_policy/activity/tourism/index_ro.cfm;

initiative, a tool designed by the "Agencia Valenciana for Tourism – INVAT.TUR and ITH".

1.2.2. Innovation in Romanian tourism companies

Large firms in tourism keep the advantages given by their sizes, to support commercial development of new ideas. They have the resources to avoid financial problems associated with the development of experiments. In addition, they can choose from the very first moment the cost effective size of the business or to achieve a maximal impact on the competitive environment in support of their innovation. This can manifest in various forms, such as business models, products and services, processes and marketing tools. "All this is sustainable for a large firm, while, for individual entrepreneurs and small businesses, many of these forms are not "available"¹⁵. This happens in Romania too.

Innovation can become a permanent goal of large organizations in Romanian tourism. It can be sustainable and can transform in a strategic objective, without being influenced by the concern for the survival of the company. In operational terms, this translates into a permanent support from senior management and stakeholders with impact on the strategic decision, embodied in all organizational subsystems, from the mainstreaming of entrepreneurship in the organizational culture and ending with the allocation of financial resources in the presence of some risks. „The specific of tourism industries do not favor the radical innovations, therefore organizations are prepared to promote incremental innovations, "distributed" in established products and processes. They must be profitable, even though **the pressure of imitation is high and rapid**"¹⁶.

Romanian tourism sector requires a familiarity with the needs of tourists and an approach to how the consumer preferences can be satisfied in terms of efficacy and efficiency, through innovation strategy. In this matter, at a national level, small firms should be sustained in this sector.

In the "National Development Plan", created by the Romanian Government, the tourism sector was given high priority, but unfortunately, the importance of innovation has been underestimated in terms of the attractiveness level of tourist balneary services, being excluded until shortly, from the area of interest and action of the government. It is known that, at Governmental level, there still isn't an official website to promote tourism in Romania.

The completion of the study on e-tourism innovation in Romania, demonstrates that the competitive advantage is not a result of the natural potential, but is based on the research and technology of information. Innovation was born in the Romanian airlines, and then expanded to hotels. It will take some time until it will achieve a high level of development with major impact for Romanian tourism, also being the most important source of information.

At present, the Romanian tourism generally copies and implements the successful models from abroad or from large hotel chains. At the "Excellence in Tourism Awards Gala" was noted that yet, it doesn't exist any prizes for innovation strategies in Romanian tourism, which shows shallowness from the organizers and industry.

Specialists in this area came up with several proposals to encourage technological advantage but also to stimulate technological innovation by creating events, specific stock of innovative projects in tourism, supporting SMEs' small projects simultaneously, who do not have the resources necessary to initiate them.

To have the success resulted from all objectives, our companies must visualize the management's future, therefore, any of the managers should be able to answer two important questions: First, "which are the new and specific characteristics of the management system for the next three years?" and second, "how can the system determine how to create an asset? " The vision should emerge gradually, and the staff should discuss and react.

¹⁵ Băcanu Bogdan, *Management strategic în turism*, Editura Polirom, București, 2009, page 247;

¹⁶ Băcanu Bogdan, *Management strategic în turism*, Editura Polirom, București, 2009, pages 248-249;

Companies will obtain indeed this strategic advantage if they will be able to create ways to increase and cumulate effort (if they extend the limits of individual and collective performance) because this is the very purpose of innovation.

The argument would be that ***most of us grew up in a "postindustrial" society and now, we are approaching the boundary of a "postmanageriale" society and maybe even "postorganizational". "The most important aspect in this new era is the permanent conflict between creativity and structure"***¹⁷. ***And how management and organizational innovation often remain behind innovation in technology and working with management systems designed in the mid twentieth century, Internet-enabled business processes characteristic of the XXI century, our companies will have to produce a change in their DNA management.***

Becoming fully "human" companies, ready for extraordinary future opportunities, and creating an appropriate management model of this century, they will stimulate initiative, creativity and passion of all participants, which will really lead the way to success.

Creating programs, actions and measures included in the strategy they will ultimately result in increased competitiveness for tourism demand, more efficient use of all resources, increase of the quality of services and products offered, and a complete change of their image through the process of "branding".

Conclusions and Proposals

The failure of the Lisbon strategy is due to the fact that Brussels officials still consider entrepreneurship and innovation as a "stroke of genius", but the two should be treated as rigorous, systematic organized disciplines. They still spread the mentality that innovation is strictly related to the Research & Development area, with only technical character. ***Entrepreneurship and innovation should be considered as rigorous disciplines, treated from economical and not technical point of view as they have the ability to generate new companies.***

We are going through a period of massive innovation, which is why enterprises must learn how to have innovative and entrepreneurial initiatives, otherwise ***they will definitely not survive***. For some, the main solution is to reinvent themselves. Innovation also implies the change of products and services to cope with market and consumer demands, which are in continuous change at the beginning of the third millennium.

Starting with small steps, our companies can learn how to innovate and improve. For this it is necessary that entrepreneurs have the necessary initiatives to achieve performance.

As in most cases we are talking about an SME, which does not have a large financial foundation, it must "clearly define" both "the mission" and "the strategies, objectives and its "services", continuously evaluating them. This is the main "key" to understanding the future, that Romanian entrepreneurs should use.

Romanian companies, should be "agents of change", giving up in an organized manner all unprofitable aspects, and systematically and continuously perfecting each service or process.

How human resource has a very important role in a services providing company, staff productivity depends on how it is placed, motivated and driven. This important "detail" must not be overlooked from the entrepreneurial and innovation strategy. It already exists a signal at the Europe level that this is the direction we are heading to. Any business requires an overview perspective on human resources, on which the performance and productivity level of the firm depends, to help with the effective management of the staff.

¹⁷ Thomas S. Kuhn, *Structura revoluțiilor științifice. Ediția a treia*, Editura Humanitas, București, 2008, page 7;

The implementation of entrepreneurship and innovation will allow the recognition of Romanian tourism companies at an European level. The accomplishment of strategic objectives will lead to the growth of diversity and quality of the services offered by this company.

The development of tourism can lead to economic development of resorts, and rural localities in the areas with balneary factors, due to the multiplier effect of this activity.

In a country like Romania, **we have no reason to believe that the legal system will support entrepreneurs and reduce taxes, which is why they must find their own solutions to withstand the frequent economic and technological changes. For this, entrepreneurs will have to predict future aspects and to base their strategies on them.**

And, besides the absence of a cultural heritage, Romanian entrepreneurs are lacking in entrepreneurial models and methods, according to Marius Ghenea, the famous Romanian entrepreneur with several successful exits in the post-revolutionary Romania.

A very large part of the current problems - lack of long-term planning, rigidity and punctuality - results from the fact that the Romanian mentality is the result of the culture centered on the idea of survival, and not being a culture of development, but more one of encyclopedic type, thing that determines the entrepreneur to solve a wide range of problems from very different areas.

Recent studies show that in Romania there is a level of avoiding the uncertainty, which demonstrates the lack of culture, the assumption of risk and hence the development or innovation of existing business. Simultaneously, our country has ranked the second last regarding the long-term orientation, indicating the inclination of present Romanian entrepreneurs that stands at the root of the need for rapid enrichment.

Romania should make considerable efforts to support innovation, education and entrepreneurship development. If we search the coming years we will notice that there are many interesting "things" to be done and to be said regarding Romanian entrepreneurship. Those who prepare to become successful entrepreneurs will need to know the essential elements in developing the business and necessary elements to decide its rise to the next level.

Many Romanian entrepreneurs tend to skip those levels, and an idea has no value as long as it is not accompanied by a real opportunity on the market, and also by a clear plan of action of the entrepreneur. I would be glad if there would be a change in mindset and the approach of these two concepts: entrepreneurship and innovation. **We need an entrepreneurial society in which innovation and entrepreneurship are seen as something natural, constant and permanent.** Such as management has become a specific tool for all institutions in the contemporary period and the integrating tool of our today's organizations, in same way innovation and entrepreneurship must become **a vital integrant element for organizations, for economy and for our society. This requires that Romanian entrepreneurs should transform innovation and entrepreneurship in natural ingredients, used in their daily activities, a habit of them and everyone in their organizations.**

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