

## CONSIDERATIONS ON ECONOMIC - FINANCIAL ANALYSIS IN THE INTEGRATED UNITS LEADERSHIP MECHANISM

A.F. JITĂREANU<sup>1</sup>

<sup>1</sup>University of Agronomy Sciences and Veterinary  
Medicine of Iasi

e-mail: andyjitareanu2@yahoo.com

*In the competitive market economy, strategies and policies developed by the management have a particularly important role.*

*In the current national and global economical context, a company that is integrated or not in the agricultural field will be able to maintain its position market by providing high quality products and services offered on the market and by promoting marketing techniques, leading to attracting clients and increasing sales and profitability.*

*Therefore, an economic and financial analysis of the integrated unit is necessary, which has a fundamental role in evaluating, adjusting and improving economic and financial performance. Economic and financial analysis is at the base of the feasibility studies and economic evaluation of the firms, highlighting the strengths and weaknesses, opportunities and threats.*

*Economic and financial analysis has a permanent character, whether performed by a section of the company or by companies specialized consulting or auditing.*

*Taking into account the increasingly wide range of methods and techniques of economic and financial analysis and anticipation of market changes, logistical services, techniques and promotional methods, made factors reach concerned, the authors show the importance of agricultural marketing, which can become a real institution designed to guide the agricultural and food production according to demand, but also to find moments, places and methods of recovery of the best conditions, both for farmers and processors and consumers.*

**Key words :** *analysis, mechanism, management, integration.*

The management can not rely on routine and intuition, but on a scientific analysis, a thorough knowledge of the situation, identification of vulnerabilities and opportunities for development. Agro - integrated enterprise is a social organization with specified structure and dynamics, which determine the complexity of decision making.

As a practical activity, economic analysis has a financial standing, regardless of the subject who performed it, as the capitalization of information system and accounting policies may be relevant conclusions on all the work or its segments.

On the basis of economic analysis financial, human factor formulate conclusions which connects the load, so the effects should be maximum, thereby satisfying the requirements of owners of capital invested.

## MATERIAL AND METHOD

The study was based on the documentation of the specialized bibliography in the country and abroad and aimed towards conceptual demarcations typology and economic-financial analysis, content analysis of economic and financial factors that influence the phenomena of economic relations and interaction between business and society, the methods and techniques of economic and financial analysis, etc.

## RESULTS AND DISCUSSIONS

Economic and financial analysis studies the mechanism of formation and change of economic phenomena through the decomposition of their elements in the simple setting and factors of influence. Decomposition is done in steps, from simple to complex, in order to determine the final causes explain a certain state of affairs, a certain level of performance or some of their evolution (*figure 1*).

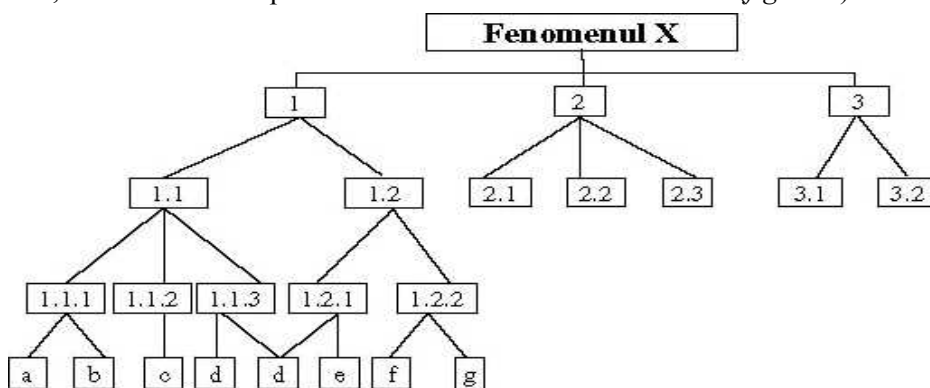


Figure 1 **Schedule of economic and financial analysis conduct**

Legend:

1, 2, 3 = *elements*  
 1.1., 1.2., 2.1., 2.2., 2.3., 3.1., 3.2. = *factors of I degree*  
 1.1.1., 1.1.2., 1.1.3., 1.2.1., 1.2.2. = *factors of II degree*  
 a, b, c, d, e, f, g = *final causes*

Economic analysis is studying the phenomena of economic and consumption of resources and results.

The complexity of economic and financial analysis and derives from the fact that in economics the following circumstances exist:

- the same effect can be produced by different causes;
- same cause may produce different effects;
- different effects may be combined giving a resultant of the complex of factors or forces;

- complexity and intensity may not only determine the intensity of the phenomenon, but also his quality
- the phenomenon being analyzed may contain aspects that the acquisition has not had any element of this phenomenon.

Economic analysis can be classified into several types, depending on various criteria, as follows:

**I) The relationship between the time in which the analysis was conducted and the time the phenomenon took place:**

- analysis of post-operative or post factum (to achieve the objectives analysis)
- estimate or prospective analysis.

**II) In terms of the essential characteristics or quantitative determinations of phenomena:**

- qualitative analysis,
- quantitative analysis.

**III) The level at which analysis takes place:**

- microeconomic analysis,
- macroeconomic analysis.

**IV) After the track in time of phenomena:**

- static analysis,
- dynamic analysis.

**V) As the criteria for study of phenomena:**

- technical-economic analysis,
- economic analysis
- financial analysis.

**VI) Depending on the delimitation object analysis:**

- industry analysis, analysis on organizational units (companies, groups of enterprises holding)
- analysis of issues (turnover, profitability etc).

Economic and financial analysis meet practical needs, being anchored in reality.

The economic and financial analysis is the inverse evolution of the real phenomenon. Economic-financial analysis is based on the result of the process items and the factors comprising several steps:

- 1) delineation of the object of analysis;
- 2) the elements, factors and causes of the studied phenomenon;

- 3) determine correlations between each factor and analyzed the phenomenon, and the correlations between acting factors;
- 4) measuring the impact of various elements or factors;
- 5) summary of the analysis results;
- 6) developing measures that represent the decisions to ensure optimal use of resources, efficiency in future work.

Each business, regardless of type, the profile of activity and location, faces a multitude of factors that form the business environment.

Relations of interaction between business and the external environment are reciprocal and complex (*figure 2*).



Figure 2 Relationship between the company and society

The managers cannot manage successfully without taking into account factors arising from interconditionare mutual relations between business and the external environment, such as technical factors, technological, economic, social, political, legal, psychological, demographic, etc.

Identification different factors requires precise knowledge of ways of forming the outcome of causal links of it.

Classification of factors may be based on several criteria:

**I) By their nature**, we distinguish the following categories of factors: technical, technological, organizational, economic, social, political, demographic, psychological, biological, natural, etc.

**II) By their character in a causal relationship**, there may be: qualitative factors, quantitative factors, which are carriers of the qualitative material, structural

factors, which occurs when the result of the analysis refers to aggregate measures (consisting of several items).

**III) By their way of action:** factors with direct action, exercising direct influence on the examined phenomenon, indirect-acting factors (degree 2.3, .. n), acting on the phenomenon analyzed by other factors.

**IV) Depending on the activity of the company,** we distinguish: factors that are dependent on the activity of the company, factors independent of the activity.

**V) After their synthesis,** we meet: simple factors and complex factors.

**VI) After their spring action,** there are two types of factors: internal factors (endogenous) and external factors (exogenous).

**VII) After the economically circuit stage,** we meet three categories of factors: the specific factors of supply, specific factors of production, specific factors of sold production etc.

**VIII) By their forecasting possibilities,** factors may be predictable factors (certainty or cause) and unpredictable factors (random).

**IX) By the intensity of their action,** there are dominant factors (key factors) and secondary factors.

Diagnosis is the ability of discernment and, in a synthetic sense, the analysis involves sighting diagnostic symptoms of flows in a business research and analysis of facts and responsibilities, identifying causes, developing plans of action by which a practical implementation ensures recovery and improving performance.

Analysis of a firm diagnosis can be motivated not only by the situation in which it has difficulties and failures, but when, as Jean Pierre Thibaut said, "has a good health" but wishes to improve its performance.

In general, depending on the purpose, the diagnosis can be restricted to certain back problems or extended for the overall diagnosis. The diagnosis summary to a specific economic problem used in current management practice is carried out especially when there are flows in the company's activity.

Financial and economic analysis has a fundamental role in evaluating, adjusting and improving economic and financial performance of the integrated unit. Therefore, it is the basis of feasibility studies and economic evaluation of the business. It has a permanent character, whether performed by a department within the company or by companies specializing in consulting, audit, etc.

The economic and financial analysis is using more specific methods and procedures or taken from other sciences. They are the group 2 categories:

- 1) methods of qualitative analysis,
- 2) methods of quantitative analysis.

Among the methods and techniques of qualitative analysis we mention: the division and the decomposition results comparison, determination of the causal factors explain the phenomenon, modeling economical phenomena, interpreting results or generalizing the results.

Division and decomposition of the results and their deviations include more types: division after training results, after division instead of training them, the decomposition in parts, elements, factors and causes.

In any case, the following criteria for comparison can be used: the planned targets, the results (periods) previous results of other competing firms, the results to firms in other countries, regulations, standards etc.

Determination of the causal factors explaining the phenomenon involves specifying the factors that determine the formation and modification and structural-functional relationships of the economic phenomenon.

The model is a simplified representation of reality. The model, an economic-financial analysis, is a mathematical-economic one, expressed in the form of equations, inequalities, correlations between indicators of production functions, etc.

The methods of quantitative analysis measure action to each element or factor analysis of the results, giving final size and causal link connection, to stress factors acting on the most important results and to assess the extent to which resources were used.

To separate the influence of factors using different methods, depending on the mathematical formula that takes relations of factors: economic and financial indicators; clues - as a method of expressing the phenomenon of economic growth - financial factors (structure, balance, efficiency); rates (ratio or rating).

In practice, there are many possibilities of organizing and carrying out the economic analysis based on the purpose and topic. Strong firms (including integrated) in their possession a compartment specialized financial-economic analysis whose responsibility is to conduct economic analysis on issues, studies used in current practice management or make diagnoses overall.

They may also perform analysis or thematic overview, solving problems related to the promotion of new products, competition study, the extension or restriction of activities, feasibility studies. There are other bodies engaged in economic and financial analysis, among which we mention: the tax state banking units, specialized consulting firms, etc.

## CONCLUSIONS

1. The organizational management function of any agricultural production unit occupies a central place to the governing bodies of that because there is a great diversity of conditions in which it operates.

2. In the design and substantiation of organizations, strategies and policies developed by the management have a crucial role.

3. The development with high rates of growth of the agricultural sector in Romania requires a fruitful international cooperation, implementation of techniques and advanced technologies but also new forms of production organization.

4. In the current national and global economic context, the organizations in the agricultural field can be offset and may be able to maintain its market position by improving product quality and using various marketing techniques.

5. The financial and economic analysis has a fundamental role in evaluating, adjusting and improving economic and financial performance of the integrated units. Therefore, it is the basis of feasibility studies and economic evaluation of the business.

6. Economic and financial analysis has a permanent character, whether performed by a department within the company or by companies specialized in consultancy, auditing etc.

7. In terms of food businesses, integration is a modern form of organizing production and distribution of agricultural and agroalimentary products, which can be achieved at the macroeconomic and microeconomic level, being that regulatory activity and coordination of interdependent processes that turn on multiple participants and provide a positive economic effect for all.

8. By increasing the range of methods and techniques of economic and financial analysis and anticipation of market changes, the logistics of promotional techniques and methods and other instruments through which a contact is done as efficiently as the market put to reach stakeholders, agricultural marketing becomes a real institution designed to guide the agricultural production and food as necessary, but also to find moments, places and methods of best recovery, for farmers and processors, but also for the consumers.

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