

DIAGNOSIS ANALYSIS REGARDING THE MANAGEMENT OF PRODUCTION, SUPPLY AND PRODUCTS DISPOSAL TO SC COTNARI S.A.

ANALIZA DIAGNOSTIC PRIVIND MANAGEMENTUL PRODUCȚIEI, APROVIZIONĂRII ȘI DESFACERII PRODUSELOR LAS.C.COTNARI S.A.

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Abstract. *A primary requirement of modern viticulture and oenology is the ensurance of a dynamic economic growth both on a wide productive scale and on each individual wine species. A profound impact on economic efficiency of production management is exercised by choice of the optimum combination of factors available at the enterprise level and quality management through the improvement of quality of products offered and by the high confidence provided to potential customers. The present work shows the importance of precisely these reasons. The paper includes theoretical concepts and principles of management of production, supply and disposal, and all analytical methods and techniques that constitute tools for management decision making in SC Cotnari SA, a unit that has as main activity the production of grapes, wines and marketing wine products.*

Key words: production management, viticulture, economic efficiency, Cotnari

Rezumat. *O cerință primordială a viticulturii și oenologiei moderne o constituie asigurarea unei creșteri dinamice economice productive atât la scara întregii producții, cât și la nivelul fiecărei specii viticole. Un impact profund asupra eficienței economice îl exercită managementul producției prin alegerea variantelor optime de îmbinare a factorilor disponibili la nivelul întreprinderii și managementul calității prin ridicarea gradului de calitate al produselor oferite și prin plusul de încredere acordat potențialilor consummator. Importanța realizării lucrării de față reiese tocmai din aceste considerente. Lucrarea cuprinde în plan teoretic conceptele și principiile managementului producției, aprovizionării și desfacerii, precum și ansamblul metodelor și tehnicilor de analiză ce se constituie ca instrumente de lucru pentru luarea deciziilor manageriale în SC Cotnari S.A., unitate ce are ca obiect de activitate producerea strugurilor, a vinurilor și comercializarea produselor viniviticole.*

Cuvinte cheie: managementul producției, viticultură, eficiență economică, Cotnari

MATERIAL AND METHOD

To present the results obtained by the SC Cotnari SA there were used statistical data from the records and official documents of the company and for processing and interpretation, analysis methods were used diagnostic investigation and correlation. In order to analyze the balance sheet at SC Cotnari SA Iasi, we have considered the financial statements of the accounting firm over a period of three years i.e. 2007, 2008 and 2009.

RESULTS AND DISCUSSIONS

SC. COTNARI S.A. is the leading producer of COTNARI vineyard. Cotnari SA is profiled towards producing white wines with denomination of controlled origin (DOC) and the designation of controlled origin and quality levels (harvested later, picked fully ripe, picked noble grapes).

The area of vine held by COTNARI SA is 1300 ha. The annual production is 1000 wagons of grapes (10 million kg.) which are obtained from the 7 million liters of wine (Monografia Cotnari).

Statement of Assets growth in 2007-2009 is presented in table 1.

Table 1

Analysis of the SC Cotnari Assets during 2007 – 2009 (lei)

Specification	2007	2008	2009
Tangible assets	24024764	35186508	38664514
	100%	146.46%	160.94%
Financial assets	879	879	879
	100%	-	-
Fixed assets	24025643	35187387	38665411
	100%	146.46%	160.93%
Stocks	611078	678502	662059
	100%	111%	108.3%
Claims	1353626	1499378	2139317
	100%	110.77	158.04
Cash Money	645.205	2.239.893	696.617
	100%	347.16	107.97
Current Assets	2029224	2401869	2871038
	100%	18.36	141.48
TOTAL ASSETS	4431789	5920608	6737577
	100%	118.36	141.48

At the level of 2009 the emphasis was placed on both the investment costs for the preparation and establishment of plantations owned by increasing the amount of land and purchases of machinery, office equipment. We noticed the overall upward trend throughout the period under consideration of the current assets and which in 2009 increased with 60% from base year 2007.

SC Cotnari SA Iasi, stocks have been assessed and accounted for by applying the FIFO method. In the period under consideration the value of stocks increased by 11% in 2008 compared to 2007. In 2009 it shows a slight tendency to reduce them. If in 2007, the stock was 611087lei in 2009 it was 662,059 lei, an increase of 8%.

The claims have experienced strong growth in the year 2009, over 50% compared to 2007. This had a strong impact on cash.

During the period under review, the claims made by the company were primarily composed of various clients and debtors.

If at the end of 2007, the company claims were 1,353,626 lei (99% of customers), in 2008 they rose by 1%. In structure, the share of customers experienced a 2.9% decrease.

As for the liquidity means, we can notice a strong increase of cash in 2008, increasing sales and especially the reduction effect of policy limits the collection of receivables. This shows the first strong orientation towards new investment costs required for profitable activities, in accordance with EU standards, payment

at the end of all social obligations and recorded by failures to receive negative appearance on term debt (Brezuleanu S., 2009).

Analysis of the patrimonial liability SC Cotnari SA - Iasi, during 2007 - 2009 we considered the concentrated study of equity held by the company, and total debt accounted for at the end of the three years taken into account. These issues are listed in table 2.

Table 2

Analysis of the patrimonial liability of SC Cotnari 2007 - 2009			
Specification	2007-lei	2008-lei	2009-lei
Capital	3288508	4221290	4957328
	100%	128.36	150.75
Total Liabilities	1143280	1699317	1780250
	100%	128.36	155.71
Total liabilities	4431789	5920608	6737577
	100%	118.36	141.48

At the end of 2007, total capital was 1,719,153 lei and 435,228 shares, each consisting of 39.50 euro / each.

In the period under consideration is observed trend of equity. If 2007 was 3,288,508 lei, in 2008 recorded an increase of 28% in the year 2009 at a 50% increase compared to 2007.

This increase is the result of effective work in all sectors.

If they were in 2007 amounted to 1,143,280 lei, at the end of 2008 recorded an increase of 55,600 lei. The category of debt, over half of them are commercial liabilities.

By using the criteria, size of capital, number of employees, value of fixed assets and turnover, SC Cotnari S.A. belongs to the category large societies (Brezuleanu S., 2005).

In order to determine the overall economic state of SC Cotnari S.A. we took into account changes in turnover, management and use of material resources during the past four years. The results are summarized in table 3.

Table 3

Evolution of turnover					
Specification	U/M	2006	2007	2008	2009
Turnover	lei	6187175	11990041	23401861	50454579
	%	100	193.79	378.23	815.60

The turnover at current prices has continuously grown and the growth rate was significant, which shows the special activity of the company management team of Cotnari SA

The feature of S.C. Cotnari S.A. is the structural stability of revenue, meaning concentration more than 95% of revenues in the respective operational turnover.

One of the competitive advantages of the company they represent in these circumstances, the high stability of income sources, which led to the reduction of sales uncertainty.

Table 4 presents the indicators that are used systematically in the management of material resources:

Table 4

Indicators used for materials management

Nr. ctr.	Specification	U/M	2006	2007	2008	2009
1	Total revenues	lei	6434252	14539755	20155450.	46886340
2	Total costs	lei	6423382	14438856	28148039	45365850
3	Material costs	lei	1603262	6732996	12659234	14532567
4	Total costs of revenues at 1000 lei	lei	998.31	993.06	965.45	967.57
5	Material costs in 1000 lei revenue	lei	249.18	463.07	434.20	309.95
6	Profit	lei	100870	1008990	10074110	15204900
7	Profit rate	%	16.0	69.0	49.0	32.4
8	Dynamics of the total costs 1.000 lei	%	100	99.47	96.71	96.92
9	Dynamics of material costs to 1000 lei	%	100	185.84	174.25	124.39
10	Dynamics of profit	%	100	431.2	306.2	202.5

In the above calculations we have taken into account when determining costs 1,000 lei revenue the producer prices (without VAT) and profit rate we took into account the total revenues reported gross profit.

Analyzing the results presented we see that the dynamics of the total costs 1,000 lei income, the amount of 998 lei increased in 2006 and decreased to 965 lei in 2008, which concern the collective management of SC Cotnari S.A. to counter rising prices of the base material, to resist wage pressures and establish a system of prices and rates to match market requirements.

Management and human resources is done with the following indicators presented in table 5.

Table 5

Indicators used for human resources management

Specification	U/M	2006	2007	2008	2009
Turnover at current prices	lei	6187175	11990041	23401861	50454579
Index of turnover	%	100	193.79	378.23	815.47
Number employees	Pers.	426	397	395	372
Number index employees	%	100	93.19	92.72	87.32
Labour productivity	lei	14524	23286	27684	41972
Index productivity work	%	100	160.33	190.61	288.98

As we took this diagnosis we also considered permanent employees of the company. The evolution of value with activities in the period 2006 - 2009, shows that it is because, in all due to the analyzed period, the company managed to secure an increase in the real workload. This reflects mainly the positive influence of the managerial policy of the company, with significant results to the program, set proper position with the specifics of our business. The main product obtained is a diverse wine range, from dry wine to semi-sweet, semidry and sweet, flavored and sent until liqueur wines, from wine to 2 years old, up to wine collectors with over 45 years old. The share of total exports is about 25% delivery with clear growth trends during 2007 - 2009.

The domestic market has managed to create networks of authorized dealers in all counties countries.

Below supply specific materials recovery evolution of different types of wines such as: bottles of different capacities, labels, corks and boxes (tab. 6).

Table 6

Supply materials for wine selling

Name Product	Manufacturer	Kind	2007		2008	
			Quantity pcs.	Price lei	Quantity pcs.	Price lei
BOTTLES	T.C. Romglass	0,75 L	6 800 000	0.6	7 600 000	0.7
		0.75 L selections	300 000		150 000	
		1.5 L și 1 L	1 100 000		3 000 000	
LABELS	Masterprint Iași	Frâncușă	650 000	0.0061	900 000	0.0061
		Fetească albă	700 000	0.0060	700 000	0.0060
		Selection 1.5 L and 1 L	1 150 000	0.0055	2 500 000	0.0055
		Dealul Cătălina	550 000	0.0061	400 000	0.0050
		Grasă de Cotnari	3 800 000	0.0060	1 000 000	0.0050
		Tămâioasă românească	1 500 000	0.0061	500 000	0.0070
		Selections	650 000	0.007	3 200 000	0.0060
CORKS	Amorim-Spania	bottles of 0.75L	7 000 000	0.3	1 400 000	0.4
		bottles of 1 L	1 000 000		150 000	
		bottles of 1.5 L	1 500 000		100 000	
BOXES	Vrancart Vrancea	for 6 bottles	600 000	0.70	650 000	0.80
	Europa Expres	for 12 bottles	800 000	0.80	900 000	0.90

The data analysis presented in Table 6 shows that in 2008 the supply of 0.7 bottles grew by about 800,000 pieces, while in the 1L and 1.5L bottles was more than doubled the number of consumers due to increased demand for these types of wine.

Analyzing the sales of wine calendar months can be seen that both in 2007 and 2008 CLE months with higher sales were in September and December (fig.1).

Profit is the economic efficiency indicator that reflects how resources were used and were recovered products are usually the only indicator that reflects and efficient management of a firm. The data analysis presented in figure 2 we can see that the big twist was recorded in Grasă profit in 2007 and 2008 as well as at Tămâioasă in 2008.

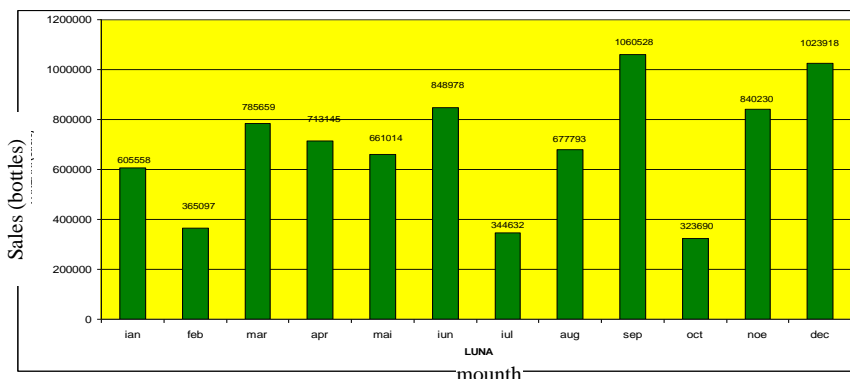


Fig. 1. An analysis of sales in 2008

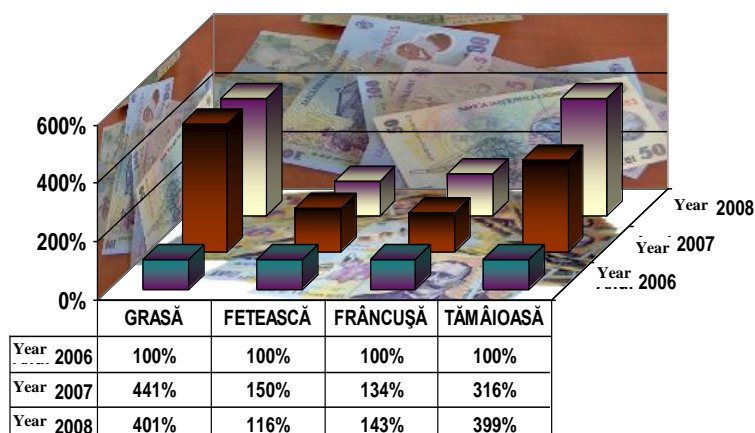


Fig. 2. Dynamics of profit achieved per total production at SC COTNARI S.A. during 2006 - 2008

CONCLUSIONS

1. The results obtained by S. C. Cotnari S.A. up to now allow the approach of a program of restructuring and modernization relatively good chances to succeed, with the objectives: the need for relatively large reorganization and quality assurance personnel; start of commercial marketing activities, improving management and performance of new investment.

2. Improving the quality of management can be achieved by following three strategies: making decisions will be based on studies of convenience and efficiency tests conducted with the participation of all company departments and transparency regarding the allocation and spending of financial resources.

3. In terms of company analyzed, S.C. Cotnari SA, stands out by a complex activity, which has managed to maintain its reputation and also the one of the vineyard and wine quality. The fame of the products made in this company is supported by distinctions obtained at various national and international competitions.

4. The feature of SC Cotnari represents, from the analysis, structural stability of the income by concentrating a large part of the income to exploitation.

5. The company's competitive advantage has led to reduction of uncertainty level of sales, at present holding one of the highest shares on the market.

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