

BUSINESS ANALYSIS OF THE ACTIVITY SC COMPLEX ASTORIA SRL

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A firm is competitive if it can produce high quality products and services and lower costs than its competitors and internationally. Ability to compete is to do better than firms in the same industry in terms of sales, market share and profitability, capacity to achieve its strategic conduct, defined as the set of actions undertaken to influence the market, finally leading to increased profits. The European Union said that the product or service quality at a competitive price. It is associated with all activities related to quality management, quality assurance and quality control, certification and accreditation, standardization, etc.

KEY WORDS: *profitability; assets; liabilities; operating income; operating costs; labour productivity; turnover*

JEL CLASSIFICATION: *M3, G0, G1*

1. PRESENTATION S.C. COMPLEX ASTORIA SRL

Strategies Service Company plans to set up five places on the environment in which it is acting components: market strategies, competitive strategies, firm position in the production chain, retail, financial strategies - bank and human resource strategies. To better understand the concept of strategy and its applicability in practice to be analyzed in the following structure, performance and strategy SC Advanced Astoria S.R.L. Advanced Astoria S.R.L. The company was able to impose on the Romanian market through quality services they offer. Its slogan is "favourable rates, promptness, and quality assurance services.

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The company was established in 1995, in accordance with Law No. 31/1990 on trading companies and according to the contract company is organized as a limited liability company, having a sole associate. Field of activity included in the certificate of commercial registration no J13/1158/14.04.1995 is: business services and tourism, hotel and entertainment in its own country.

2. COMPETITION AND MARKET

In terms of competition the Constanta market abounds in county tourism companies specializing in tourism supply, each trying to survive by adopting policies that may be better suited. So competition is fierce Astoria complex direct and indirect existing and threatening. General features of Complex Astoria include completely renovated hotel, restaurant, bar, double rooms, free parking subject to availability, safe-keeping values at reception.

Facilities: double rooms renovated and equipped with cable TV, minibar, air conditioning, windows, oak woodwork and double glazing, new furniture, carpeting, bathroom with shower (tray) completely renovated, key card access, balcony, telephone, armchairs, suites have living room (couch, chairs, coffee table, balcony, carpet), bathroom with shower, bedroom (double bed, telephone, cable TV, minibar, carpeting, balcony), double glazing, air conditioning.

3. GENERAL CHARACTERIZATION OF HUMAN RESOURCES

The company management is achieved through power structures and decision following:

- The Board, composed of five directors elected by the General Assembly for a period of four years. It meets at least once a month and whenever necessary to analyze and decide on important problems of society.
- General Meeting of Shareholders
- Steering Committee, composed of General Manager, Deputy Director and Financial Director, provide leadership operative society within the objects and powers of the Board. In addition, developing rules of procedure, proposed employee rights and obligations for staff, presented the Board progress reports, etc.
- Audit Committee, elected by the General Assembly and has the mission to control the management company.

Driving method is practiced at unit level **management by objectives**.

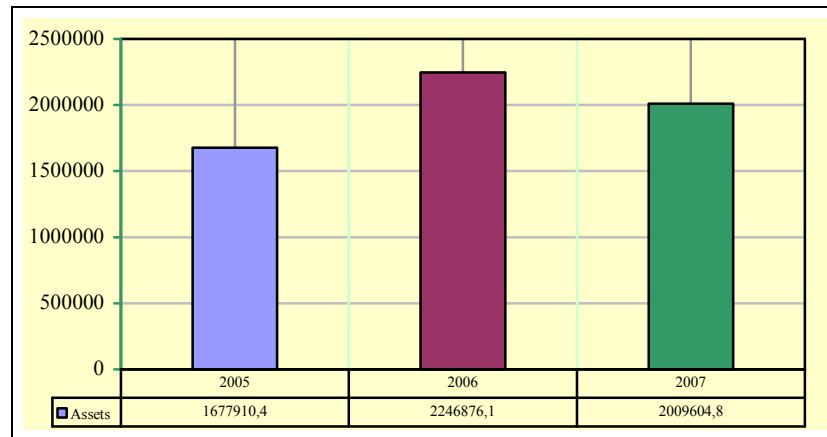
General organization of society is so set that each employee to know the precise definition of business in society, level of responsibility and decision.

Organization is characterized by: functional specialization, minimum level of formalization, enforcement power is decentralized. Also may find the following: organizational system is known at all its levels, responsibilities and objectives are clearly defined, specified and known to all levels, system is effective communication links between the direct management domain, posts are filled by competent persons, number of decision levels is minimal.

4. ECONOMIC AND FINANCIAL ANALYSIS OF THE BUSINESS FIRM

Evolution of main indicators of its balance sheet as an expression of the tourist complex performance between 2005-2007 is as follows:

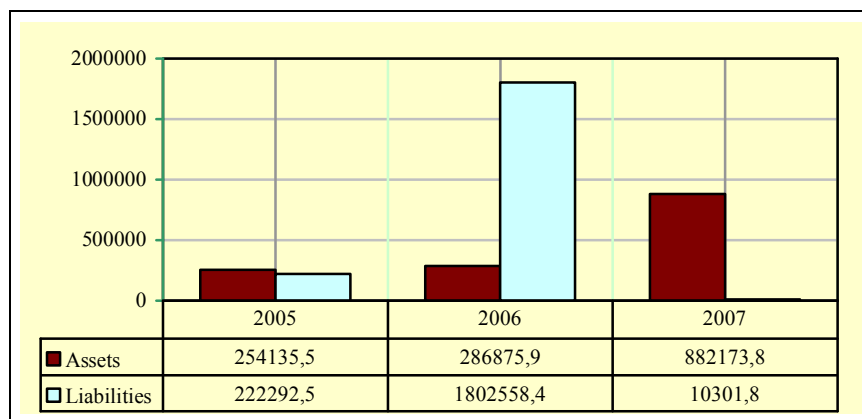
Assets have increased at the end of 2007 to 2005 by 1.33 times, with over 33.35%. Graphic trends during 2005 - 2007, are represented in figure 1:



Source: processing of data taken from the company

Figure 1. Evolution of fixed assets in 2005-2007

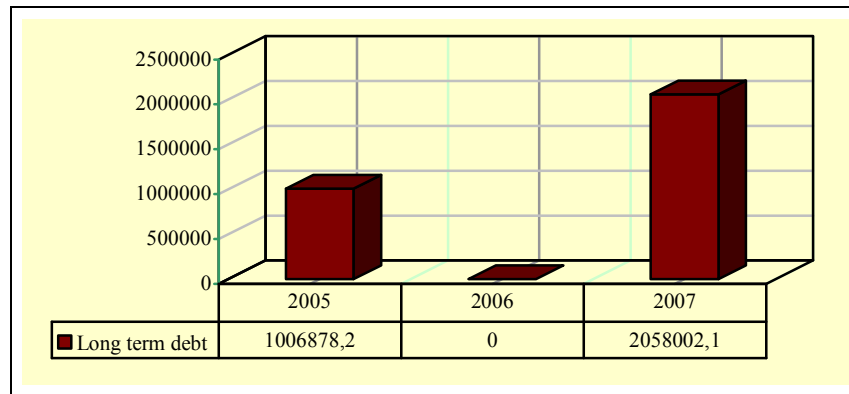
Most explosive growth occurred in 2006, because in 2007, would see a downward trend, a reduction of approximately 10%. Assets increased in 2007 over 2005 of 10.5 times, but the increase correlated with an upward trend of short-term debt, not only reporting year 2007-2006, but earlier in the year 2005, this situation because of higher stocks. Graphically correlated with the development of current assets to short-term debt during 2005 - 2007 can be represented as in Figure 2:



Source: processing of data taken from the company

Figure 2. Evolution of current assets and short-term debt in the period 2005-2007

While an inconsistent trend and had a long-term debt (Figure 2.5)., Knowing a substantial reduction in 2006, reaching zero value for the year 2007 to provide a long-term debt increased to the level of 2,058,002.1 RON, as shown by the Figure. 3.



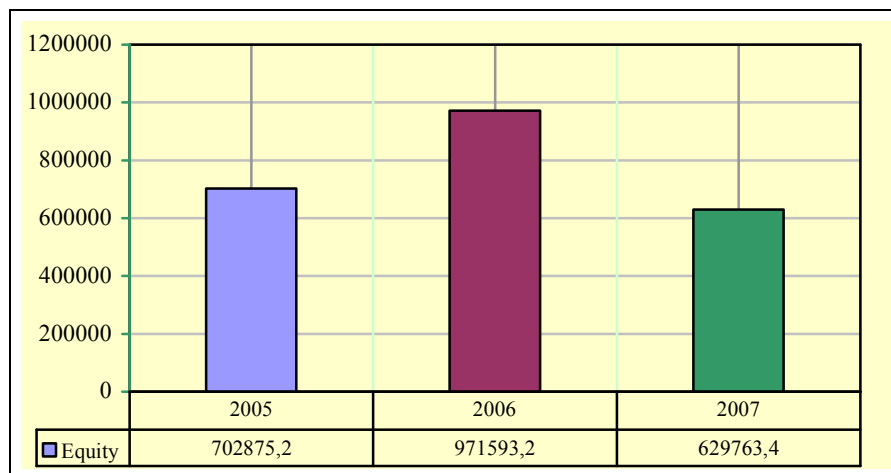
Source: processing of data taken from the company

Figure 3. Evolution of long-term debt in the period 2005-2007

Long-term debt recorded an upward trend in 2007 compared to 2005, causes of this situation are:

- In 2006 there was full payment of bank loan obtained by the firm for investment in infrastructure.
- In 2007, a leasing company contracted to purchase a hotel for business expansion in the season.

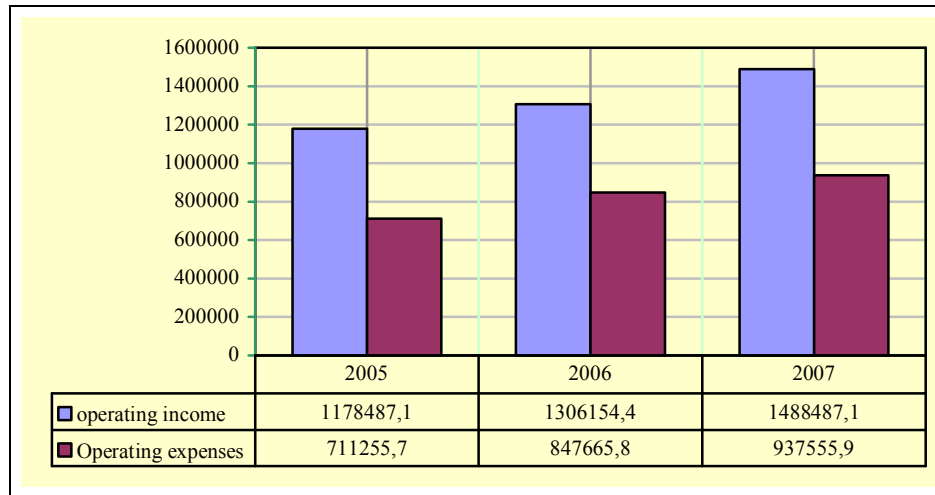
And equity has evolved similar long-term debt, inconsistent, mainly due to increased operating income and legal reserves. (Figure 4).



Source: processing of data taken from the company

Figure 4. Evolution of equity in the period 2005-2007

Evolution of main indicators of profit and loss account between 2005 -2007 is as follows:

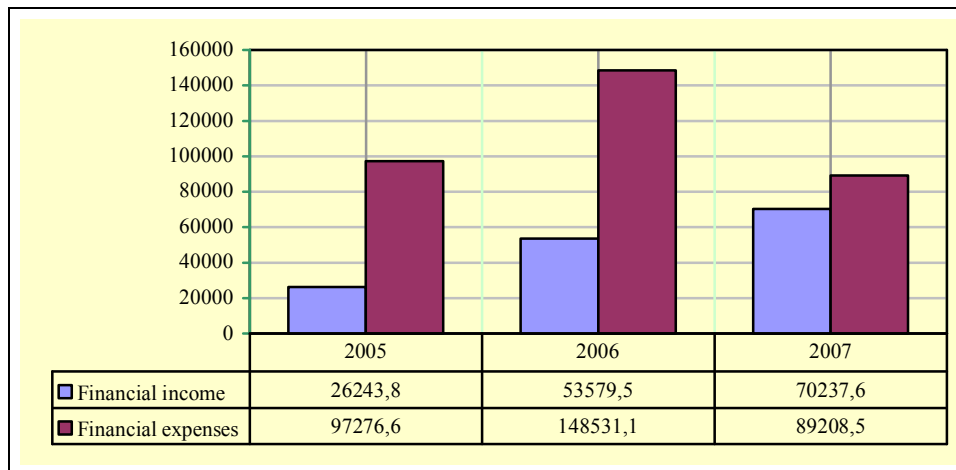


Source: processing of data taken from the company

Figure 5. Evolution of revenue and operating expenses in 2005-2007

Study of operating revenue and expenditure levels and financial firm, plotted in Figure 2.7, we see an upward trend of both revenues and operating expenses for the past three years indicating that the dynamics of income is higher operating expenses dynamics.

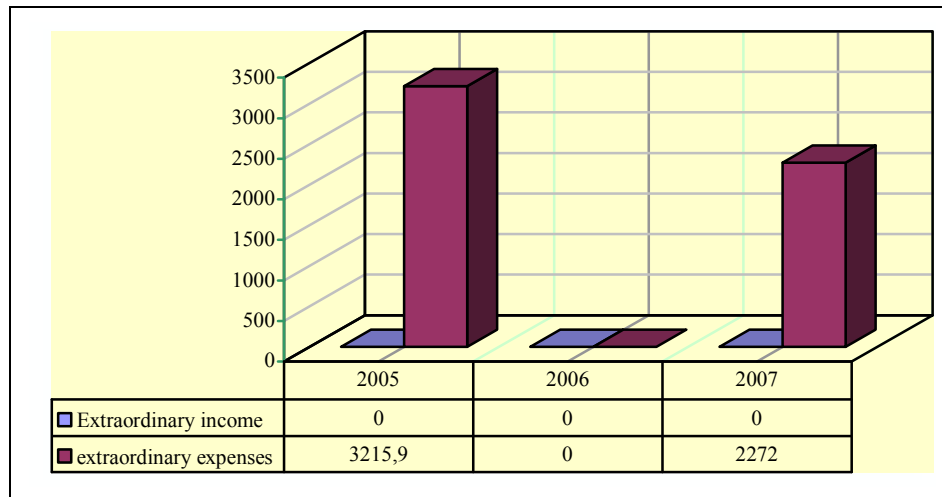
At the same time when the financial revenue and expenditure situation is reversed, namely dynamic financial expenditure exceeds that of financial income (figure no. 6) which is mainly due to the large volume of interest expense.



Source: processing of data taken from the company

Figure 6. Evolution of financial income and expenditure during 2005-2007

During the reported period the company has recorded extraordinary income, but such expenditure (Figure 7).



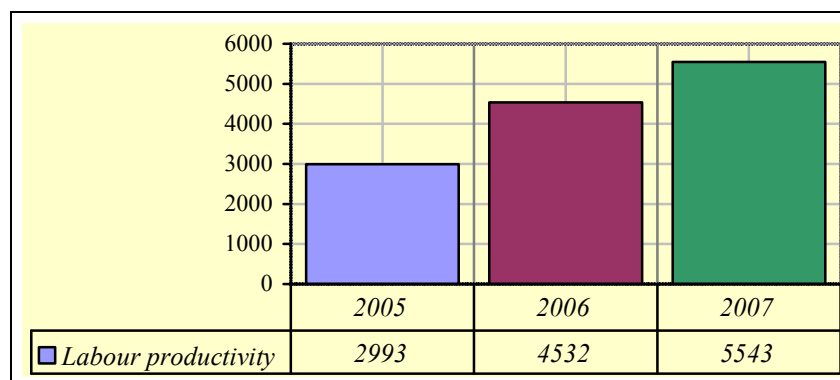
Source: processing of data taken from the company

Figure 7. Evolution of extraordinary revenues and expenditures 2005-2007

What we found from the analysis of company results by type of activity is that the negative financial result and adversely affect the profit or loss, the biggest negative was registered in 2005, which reflect the outcome considerably diminished exercise it.

This is due to the considerable financial costs incurred by the existence of financial leasing in progress. The analysis of it is done as follows:

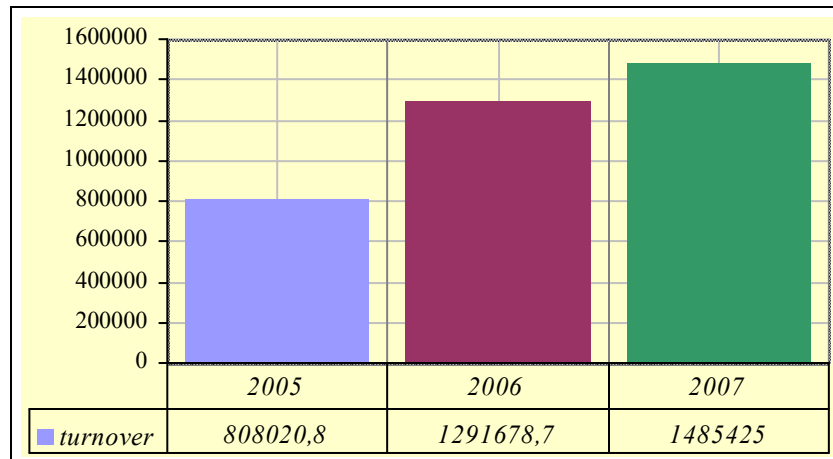
- Labour productivity has evolved in both its upside in 2006 compared to 2005, knowing an increase of over 90% and in 2007, increased but at a lower percentage due to the shrinking turnover dynamics. Graphic situation may be that in Figure. 8:



Source: processing of data taken from the company

Figure 8. Evolution of labour productivity in 2005-2007

- Turnover saw an upward trend over the past four years, as shown by the graphic representation of the Figure.9, both sold due to increased production and revenue due to increases in sales of goods.



Source: processing of data taken from the company

Figure 9. Evolution of turnover in 2005-2007

5. CONCLUSIONS

On an upward trend expected future turnover. As you can see the results of the company were aware of an upward trend.

- ★ Immediate liquidity showed increasing values generally greater than 35%, exceeding the two thresholds of 50% in 2004 and 2005 and 75% for 2006, which is a favorable situation for the company. The evolution of this indicator was very unpredictable, with large increases in dynamics for 2007.

- ★ Total asset side was covered by debt in the period analyzed, a variable proportion between 33.4 and 54.5%, which means a relatively high capacity of the company to cover all outstanding debt at a time given.

- ★ Indebtedness of the analyzed society has experienced a decreasing trend, good situation for society. This situation, coupled with high interest coverage contracting firm commitments allow foreign - credit - to finance investments in tangible assets. Rotational speed of the assets, shows the number of cycles carried out over a period asset, and includes: the rotation of stock, customers' rotation, rotation of suppliers. On the values of these indicators should be noted that the higher number of turns made during a period is greater, the assets were used more efficiently. The high values recorded in July of the years 2005, 2007 respectively of these rates is mainly due to seasonality rotation firm activity that causes a sustained activity during the tourist season, and thus speeds of rotation in all categories of assets.

- ★ It can be seen that the rate recorded positive economic return higher than inflation, which is good for business and has made a real profit.

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