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Business Review

ECONOMY

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The **Practical Guide** *for SMEs*





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A predictable environment to foster private initiative

Anca Laura Ionescu, Secretary of State at the Department for SMEs, the Business Environment and Tourism (DIMMMAT), tells Business Review about the current state of Romanian SMEs and outlines the main measures that should be taken to support them. **Anda Sebesi**

What are the main problems that local SMEs are facing now?

Through the many meetings we have had with SMEs' representatives, we managed to identify the problems in our local business environment. Common to both our country and other EU members, they are: frequent changes in the legal and administrative framework; difficult access to financing, guarantees, markets and innovation; burdensome taxes, authorizations and licenses, in addition to a long period to obtain them; lack of qualified workforce and an under-developed entrepreneurial culture. From a macroeconomic perspective, we identified several major problems for local SMEs, such as the very low number of economically active companies, few medium-sized firms and an excess of businesses in services

and commerce but few in manufacturing. Plus, half of new start-ups disappear in their first operational year.

How could the activity of local SMEs be encouraged?

Romania should have a clear vision of its business environment, coherent public policies and in-house or attracted resources to surpass all the problems it faces. The government's goal is to develop an active, stable, transparent and predictable business environment that is based on competitiveness, responsibility and entrepreneurial spirit, so that businesspeople can take on both domestic and international competition. I think that at government level there should be a focus on the sustainability of the existing programs in addition to those dedicated

to creating new companies. This could be done by improving the entrepreneurship programs. The simplification of fiscal and administrative procedures and the fight against corruption are state duties. But the private sector also needs to contribute to the development of entrepreneurship through training and mentoring programs, events and contests for startups.

What lessons can Romania learn from the experience of other Central and Eastern European countries that could be applied to local SMEs?

There are plenty of lessons that we can learn from the experience of other EU members, but I would underline three of them. Founding the Credit Mediator institution and regulating and supporting the business angel networks are among the measures that DIMMMAT is considering. The program intended to improve the productivity of Romanian companies is also one of our priorities. The EU encourages its members to support the risk capital. At present Romania has up to 200 Romanian and foreign business angels. The expected result of this initiative is to encourage the official institution and support the business angel network nationwide in order to help financially SMEs with great potential to increase their business. The Credit Mediator is one of the measures that DIMMMAT adopted through the 2013-2014 Plan of Actions to improve the business environment, and is part of the government strategy to support SMEs. Through the program to improve the productivity of Romanian companies we intend to increase the performances of

Romanian businesses by implementing the new productivity concept, agreed worldwide and at European level, by developing the culture and entrepreneurial skills and promoting an ethical and equitable business environment.

How would you characterize the current state of the Romanian SME sector?

The local economy is supported by the activity of both SMEs and large companies. Although they represent about 99.7 percent of total companies, they make up about 55-56 percent of the GDP. The majority of companies active in Romania started as family businesses and many individuals involved in their management did not have enough management or marketing know-how. At present, the educational and technical level of the majority of SMEs is quite low and many of them did not set targets to penetrate the market or increase their market share. According to the stats, about 57 percent of the existing SMEs are at subsistence level. In general, SMEs have access to micro-financing and lending but at very high debt costs compared with their profitability.

How do you think that the local SMEs sector will evolve in the future?

Supporting SMEs' development is both a national and European priority because this dynamic and flexible category of companies represents the engine of any modern economy. If we consider the 2020 horizon, as we did when working on the strategy supporting SMEs, I can say that Romania will have a competitive, sustainable and extensive SME sector then. This is because DIMMMAT's mission is to



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create a predictable business environment that will foster private initiative and entrepreneurial spirit.

We will support those programs that aim to create start-ups and jobs and increase the competitiveness of SMEs.

A significant number of SMEs will develop into large companies and their contribution to GDP will grow to 70 percent. This will stimulate the national economy. In addition, a large number of SMEs will improve their competitiveness by creating clusters and networks of companies.

They will be encouraged to participate in such structures while government measures will promote interconnection between SMEs so that they can integrate more easily and create value chains in different fields of activity.

What are the main sectors where local SMEs excel now?

According to National Trade Register Office (ONRC) data, entrepreneurs are attracted by fields like wholesale trade and retail, agriculture, construction, transportation, hotels and restaurants. Their propensity to enter agriculture is justified by both the domestic potential of the resources and local outlets and public policies for development supported in recent years by significant financing from the state budget and European funds. We identified several priority fields for the economic development of SMEs for the horizon of 2020. Supporting mainly direct productive and/or creative SMEs from industry, agriculture, tourism, construction, transportation and services with high creative potential are among them.

Cash flow is the heart and blood of a business

Many companies face a cash flow crisis at least once in their lifetime. But, if managed well, it can be followed by recovery, rather than insolvency or other unhappy endings. **Anda Sebesi**

Efficient cash flow management has always been critical for the development of a business, regardless of its size or field of activity. Since the economic crisis has put companies' financial position under greater pressure, a good cash flow has become even more crucial to companies that want to remain and grow on the market.

“In practice, many businesses seem to be profitable at first sight, but have major cash flow problems in reality. Firms that develop too fast through investments and increase their turnover as a result of discounts, experience longer-term payment from their customers, or manage bill collection risks poorly may have short- or long-term liquidity problems,” says Dragos Cabat, managing partner at RisCo.ro. Salaries, taxes, raw materials and bank loans are all expenses that need to be paid with cash and not positive financial results. That is why in some cases companies that look good on paper cannot pay their business partners, employees or taxes and become insolvent. “In some cases seasonality of sales combined with an inadequate plan for the

repayment of bank loans can lead to the ‘suffocation’ of a company and suspension of payments to banks or business partners,” adds Cabat.

At a company that is being financially managed properly, cash flow information comes through on a monthly basis. Collection should be correlated with payments so that income exceeds outgoings and provides a comfort margin if possible. The remaining money can be used for unexpected situations when invoices are not paid on time. “Of course credit lines can decrease the pressure on cash flows generated by operations, but cash flows need to be the safest source for matured payments,” adds the analyst.

Cosmin Moldovan, CEO at Cosm-Fan, a company that owns a retail network of 27 butchers' shops in Cluj-Napoca, says that cash flow is the blood of a company. “Before you earn the awareness that brings you some kind of compliance from your partners when it comes to money and due dates, your cash flow is essential. A good forecasting of the cash flow controls the impulse to invest or spend more than

one can afford. That's why this element is crucial for the business to operate optimally," says Moldovan.

Any company can suffer a cash flow crisis. But whether the crisis has external causes and is an occasional occurrence, or is a permanent state of affairs, companies should learn operational, financial and management lessons from their cash flow problems. "First, managers need to understand the reasons for the lack of adequate cash flow: it is investments financed from current activity instead of long-term banking sources, or the seasonality of the firm's activity? It is a forced increase of sales based on longer payment terms added to discounts offered to customers and new partnerships that haven't been verified previously?" says Cabat. He adds that investments should be correlated with the company's potential to generate cash or funded by external sources (shareholders finance, a stock issue, long-term bank loans). "Seasonal activity should determine the way working capital loans are accessed. An accelerated increase in sales, even if it is possible from the operational and market perspectives, should be financed adequately. Meanwhile, the quality of customers, both old and especially new ones, should be verified through a specialized system. Each specific source of suffocation of cash flow requires a different set of measures to counteract this limitation," adds Cabat of RisCo.ro.

As for the types of businesses that can ensure a proper cash flow, Moldovan of Cosm-Fan says that independent shops in general and companies active in the meat industry in particular are

good examples. "Money comes in the evening and you have it. Commerce with third parties is maximum 10 percent of production. After you develop you can address other commercial channels," adds the entrepreneur.

The main problem currently facing local SMEs is that they cannot access bank loans easily when they need them. "When small companies especially face a cash flow problem, they post fragile financial indicators and lenders reject their request for financing," explains Cabat. "That's why SMEs should take care to correlate their development with the financial resources available, while shareholders must always be ready to increase the capital to cover temporary cash flow needs. Plus, verification of the reliability of their business partners must be a permanent concern of the management."

From the entrepreneurial perspective, Moldovan says that his company faced cash flow problems when he started the business. "Because we wanted to produce as much as possible, we delivered 70 percent of our production to third parties and so we recovered debts with difficulty. We then dropped this approach and focused on our own shops. My wife created and developed a solid retail network that represents the key to our success," he adds.

Asked what a company should do when facing a cash flow crisis, the entrepreneur advises that excluding bad payers is the first major step. "Then he or she should adapt production to demand and carry out a deep analysis of the costs. Last but not least, prudently open a credit line that is controlled on a daily basis," concludes Moldovan.

Financial support is key - but where to get it?

As the business environment evolves, both nationally and internationally, SMEs need to stay competitive on the market and play a significant role in the Romanian economy. They require financial resources to develop their existing business or new ones. Lenders, EU funds and business angels are some of the ways these firms can raise money for investments. **Anda Sebesi**

New research from PwC found that the shortfall in European small and medium-sized enterprises' access to bank loans will last for at least five years. Such firms will struggle to fill this gap using other existing sources of credit. Europe's medium-sized enterprises do not typically enjoy the same level of access to bond markets as their US counterparts. While European bond issuance strengthened during 2012 and 2013, total bank loans still comprise the vast majority of European corporate debt, compared with less than 30 percent in the US.

Therefore, there is a major opportunity for non-bank institutions to provide funding to medium-sized European firms. This segment offers the greatest scope for growth in non-bank lending, with loans falling somewhere between EUR 10 million and EUR 50 million. Below this level, loans may be too small to interest non-bank institutions. Above it, companies would

typically have their own credit rating and easier access to other sources of credit.

"Affordable access to credit has always been challenging for SMEs in Europe, but the problem is more acute than ever. Over the next few years, many SMEs are likely to find the already demanding terms of bank credit virtually unaffordable, and while they will increasingly want to invest for future growth, European banks will remain under pressure to reduce and control their levels of leverage. So, the scale of non-bank lending opportunity in Europe is huge, and will only grow over the next few years," says Cornelia Bumbacea, partner, advisory, deals, at PwC Romania. "We also see potential for non-bank lenders to combine new lending with the purchase of non-core loan portfolios. European banks hold an estimated EUR 2.4 trillion of non-core loans, half of which are performing. Purchasing batches of these loans

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- No real guarantees up to equivalent of 100.000 euro
- Up to 15% usable in cash based on own-statement
- Loan amount is calculated based on the specific expenses of each type of crop

Investment Loans through National Rural Development Program

Investment loans for the co-financing of eligible investment projects under PNDR

5 reasons to choose an Investment Loan through National Rural Development Program

- Financing solution structured based on the specific of each project, taking into consideration the investment type and the particular project budget
- Flexible structure of guarantees

- The possibility to pay installments when you start obtaining revenues from the sale of the crop, so that your current activity is not affected by the reimbursement of the loan
- Advantageous costs
- Possibility to offer additional products required in the process (such as Letters of guarantee, Comfort letters, Current activity loans, VAT financing).

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Intesa Sanpaolo Bank is the subsidiary of Intesa Sanpaolo one of the top banking groups in the euro zone, with a market capitalization of 40.1 billion euro as at 30 May 2014. Intesa Sanpaolo has a selected presence in Central Eastern Europe and Middle Eastern and North African areas with over 1,400 branches and 8.4 million customers belonging to the Group's subsidiaries operating in retail and commercial banking in 12 countries. Moreover, an international network of specialists in support of corporate customers spreads across 29 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Russia, China and India.



would enable non-bank lenders to expand their organic growth - accelerating their investment in this asset class.”

She adds that now is the time for non-bank institutions to lay the groundwork for lending - by developing a strategy and strengthening their in-house capabilities. “Existing non-bank lenders might also consider expanding their business through purchases of non-core loan portfolios. Non-bank lending doesn’t need to constitute a direct challenge to European banks. There are increasing signs that banks are willing to work with a range of alternative lenders to meet their clients’ needs and relieve the strain on their own balance sheets,” adds the PwC Romania representative.

Start & Grow goes rural

One option is the Start&Grow program, which helps entrepreneurs get financing of up to EUR 500,000 to develop their business. The program targets mainly firms in technology, agribusiness, production, services, green business, inventions and fashion. This year, the majority of entrepreneurs looking for a financial partner come from Bucharest and large cities such as Timisoara, Cluj-Napoca, Iasi, Constanta, Brasov, Sibiu, Oradea and Suceava. Unlike previous editions, this year gathered more entrepreneurs with active businesses in rural areas such as small manufacturers and centers that offer different products or services for rural dwellers. Over 60 percent of the entrepreneurs that intend to find an investor for their business through this program already have

a functional company and intend to extend it at national or international level. Launching a franchise system, opening new working points in other Romanian cities, increasing production capacity or investments in new equipment and technologies are some of the ways entrepreneurs plan to extend their existing businesses. In addition to the financial support, entrepreneurs say that they need a partner that can provide expertise in developing a company at national or international level.

Lenders remain in the frame

Lenders are still one of the most important options to consider when SMEs seek financing. As Roxana Hidan, manager of the SMEs division at OTP Bank, says, demand for banking products and services has grown slowly over the last year. This was because SMEs knew and made better use of the possibilities offered both by lenders to finance their current activity and the co-financing and pre-financing mechanisms of European funds and state subsidies. “The lenders’ offer for such specific products has evolved from the innovation put into practice by several banks to generalization and direct competition on costs and easing the access of a large number of entrepreneurs to the benefits offered by such products,” adds Hidan. She says that access to additional financial resources is essential for the development of the SME sector, but long-term success is dependent mainly on two complementary factors. “First they need to know how to use the attracted resources correctly and rationally to promote the sustainable development of their company. Second,

the entrepreneur should be ready to use this information,” adds the OTP representative.

Over time, the lender has identified a lack of financial information and specific know-how and offered its customers financial consultancy in order to limit the risks associated with loans.

Asked to name the best sold products and services for SMEs, Hidan says that credit lines used to finance the current activity followed by medium-term credit with free usability and standardized loans are the most sought after at OTP Bank. “However, the number of customers that access more complex banking products with a clear purpose has increased lately, showing improved access to information and the increased confidence of entrepreneurs in the opportunities to develop profitable businesses supported by such resources,” says the OTP Bank representative. She adds that Romania could significantly improve its transparency. “The major differences in approaches to accountancy, financial and fiscal practices call for the creation of dedicated and standardized mechanisms designed to compare and evaluate, which have been used in developed countries for decades now,” says Hidan. “The quality of many banking services depends directly on the available information used to create and implement them, so more transparency would considerably increase the impact of financial resources attracted by SMEs from the banking sector.”

Many lenders continue to launch new products and services dedicated to SMEs. For example, in mid-April BRD-Groupe Societe Generale launched

a lending product regulated by the Program for Guaranteeing SME loans. It aims to create a favorable framework for harnessing opportunities to develop the Romanian economy and foster the business environment by developing SMEs and improving their access to financing. The limit of guarantees allotted to BRD is RON 262.8 million and allows the bank to grant credit of RON 525.6 million in total. The interest rate is Robor 3M + 3.5 percent with bank commission included.

Recently, the European Investment Bank (EIB) lent Garanti Bank EUR 50 million to finance SMEs and Romanian public institutions. The loan is intended to support companies that create local jobs. “Along with EIB, Garanti Bank intends to offer SMEs the opportunity to grow and develop their business through long-term financing solutions and partnerships. Having at their disposal an adequate financial solution and support, SMEs can contribute significantly to the recovery of the Romanian economy,” says Ufuk Tandogan, CEO at Garanti Bank Romania. At present, the lender has over 25,000 SME customers and 3,000 corporate ones in its portfolio.

In addition, the EIB recently announced that it had lent UniCredit Leasing Corporation Romania EUR 50 million to finance the projects of SMEs active in fields such as agriculture, industry and services. It is estimated that no less than 70 percent of the loan will support small firms’ projects while medium companies will benefit from about 30 percent of it. “The improved access of these companies to long-term financing plays a significant role



in developing and diversifying the Romanian economy, with a positive impact on economic growth and creation of new jobs nationwide, including in rural areas,” says Mihai Tanasescu, vice-president of the EIB. Part of this loan will be combined with the Facility of Financing of SMEs, a joint program between the EIB and European Commission that combines EIB loans with non-refundable aid from the Commission in order to improve both the capacity and the loan infrastructure for SMEs.

Last but not least UniCredit Tiriac Bank has cut the response time for analyzing the documents for short- and medium-term loans of up to RON 1 million. “We focus our efforts on knowing and meeting the actual needs of our customers. We address SMEs with proven experience and intend to continue to grow on this market segment. It is important for SMEs to get a quick answer when they apply for a loan, especially if it will be used to finance the current activity,” says Simona

Lacatus, manager of SME customers, retail division at UniCredit Tiriac Bank. “As for us, the number of applications for loans coming from SMEs increased by about 10-15 percent in the first three months of 2014 on the same period of last year. Although customers continue to remain prudent when evaluating their financing needs, our data show a recovery of their confidence and their plans for development.”

Financial tools for SMEs

Recently the European Commission and EIB Group launched a new generation of EU financial tools and consultancy services, in order to help innovative companies obtain financing more easily. During the next seven years it is expected that InnovFin - EU Financing for Innovators products will see EUR 24 billion designated to finance research and innovation activities developed by SMEs. The program will consist of a series of customized products to support research and innovation projects of all sizes in the EU or countries associated with the 2020 Horizon program. “Financial instruments offer an innovative way of investing in the companies and activities that foster economic growth. The EU lags behind its international competitors in terms of companies’ investments in innovation. Hence, we need to encourage banks to lend to these projects and help firms doing intensive research activities to get a loan. In this way we will manage to achieve the EU goal of investing 3 percent of GDP in research and development by 2020,” says Maire Geoghegan-Quinn, European Commissioner for research, innovation and science.

How to retain your employees

Human capital is by far the most valuable asset a company can have. Unlike multinationals, which can offer a wider range of career opportunities, SMEs need to adopt staff retention strategies that ensure their employees are not headhunted by their competitors or larger companies. **Anda Sebesi**

“Do what you do so well that others will want to see that thing done again and bring their friends too,” said the legendary Walt Disney. HR specialists find this quote representative of what SMEs should do in order to retain their employees. In general, a retention strategy contains several options, as the labor market is what decides staff turnover. Peter Cappelli, a well known international HR specialist, says that it is difficult to retain your employees as you cannot protect them from attractive opportunities on the market or aggressive headhunters. And since even large companies face difficulties in holding onto their best employees, what options do SMEs have to make workers immune to their competitors’ overtures? “Sometimes a partial or total overlapping of the employee value proposition with the expectations of employees who target a specific SME can help. Other times, a preference for working closely with the general manager can do the trick,” says Ionela

Flavia Tioc, senior learning architect at MMM Consulting International.

In her opinion, when devising a staff retention strategy, an SME should take into consideration issues such as: creating a working environment suitable for learning and development plus a high level of trust; appreciating individual contributions and performance by assigning employees adequate roles and giving them financial rewards; plus considering the type of leadership it fosters, because in such companies employees usually join their leaders. “One of the ingredients for the long-term success of SMEs is to invoke entrepreneurial spirit. In my opinion it has three layers: persistence, optimism and trust,” adds the representative of MMM. She says that people who stick with such organizations are eager, self-motivated and encouraged to be persistent in their daily work. “This means they set a clear objective and then work to reach it, assuming responsibility. Realistic optimism helps them

to see the opportunities while their self confidence helps them to get past the obstacles more easily,” says Tioc.

Autonomy also plays a significant role in retaining employees, because unlike multinationals, where the hierarchy is well defined, SMEs’ employees are directly responsible for their decisions and actions. On top of that, an SME offers flexible work procedures and processes, as well as the possibility to invent, reinvent and adapt them constantly, all of which leads to diversified work. “The role and job description are flexible at an SME. It may be true that promotion opportunities are limited, but the possibilities to develop are unlimited. Furthermore, roles are exchangeable and adaptability reaches its peak. That’s why only certain types of employees will suit such an organization,” says Tioc. Last but not least, an employee of an SME will choose to work and remain there because he or she is inspired by a mentor or a role model, in

the form of the entrepreneur who set up the business. “Plus, it is about empathy, communication, the team and relations developed within the teamwork,” adds the consultant.

At RBC, HR manager Dana Bodea says that the retention process starts from the first recruitment interview, when the potential employee understands that RBC will value his or her potential. “In our existence there have been difficult moments when key employees have decided to leave our company, generating major problems. As a result we needed to implement retention and motivation strategies, especially for key employees and niche specialists, because they will always be attracted by the opportunity to change their careers,” says Bodea. She adds that for RBC, employee retention is an ongoing internal process and the company invests every year in development programs for both key people and top and middle management. “We include a few things in our strategy to keep our employees: an honest and competitive salary package, attractive jobs for young IT graduates, internship programs and other non-financial benefits. Plus, every year we conduct satisfaction enquiries that help us to identify the correct measures to adjust and improve the important issues for our employees,” adds the HR manager.

Asked about financial and non-financial benefits offered to employees, Bodea says that the two cannot be separated. “We think that an efficient intervention that aims to increase their motivation and performance needs to include financial rewards too, as recognition of their achievements.”

What motivates employees to work for an SME?

- “The fact that I evolve, I have flexibility and can do whatever I want. This means that if I have an idea, I can put it into practice. I like it because it is not boring and I always have something new to do. The people I work with are special and I attend specialized events and conferences”
- “Friends and the opportunity to assert my personal talent”
- “The diversity of my work and the fact that every time I work directly with the boss, who is also my mentor, he inspires me. I always have something new to learn”

Source: MMM Consulting International



Streamlining business processes and generating growth through a high-performance ERP solution



In Romania, the SME segment is of huge importance for the recovery and future development of the local economy. However, in order for the small and medium enterprises to reach their potential and succeed to grow on the Romanian market, the entrepreneurs need to use the advantages of the

latest, state-of-the-art technology, which can help them optimize their business processes and costs.

One of the technological products that can support companies in making better strategic decisions and thus becoming more efficient and profitable are the Enterprise Resource Planning (ERP) software systems. An ERP is a solution for business management, integrating all the data on a platform, offering a better visibility into the operations, organizing and streamlining the day-to-day activities within a business. Operating on a high-performance solution, the companies can reduce costs, improve their efficiency, grow and become more competitive on the market.

How can an ERP help a company optimize its cross-functional business processes, move faster and strengthen its competitive edge? Not all solutions can, because not all of them are adapted to the current and future requirements on the market. For example, Soft1 ERP, SoftOne's flagship product, is the only ERP solution in Romania working identical both on-premise (on the clients' servers), as well as in Cloud and being 100% customizable, according to the customer's business and specific needs. Soft1 ERP includes a variety of applications and modules that a company can use to store, manage and interpret data from its business activities, unifying

business processes. Therefore, all the following modules can be tailored: financial management, supply chain management, CRM, production management, field service management, human resources & payroll, Web & Mobile applications. This is important because the clients benefit from the freedom to adapt, scale and host the solution as best fits their needs, adjusting it to the way they are doing business, not the other way around.

Soft1 ERP is powerful, secure, and scalable, which makes it a coveted product, currently used by more than 12.000 companies internationally. It is a "one-for-all" system, 100% customizable, flexible, easy to deploy and to expand. It is also a real Cloud ERP solution that uses the Microsoft Windows Azure platform, which ensures the confidentiality and security of the information.

The cloud based / SaaS (Software as a Service) hosting option means that the operation of Soft1 ERP is outsourced to SoftOne, as a third party service provider. This option is a fully managed service running on Microsoft Windows Azure resources, deployed on a subscription base. This is a cost-effective option for companies of any size, as it eliminates several expenses, such as the ones with own servers, equipment, etc. The Return On Investments (ROI) is therefore significantly larger, due to the lower operational costs, offering clients the same functionality on a much more flexible platform. Furthermore, the users can access any information in the solution in real time, from anywhere and at any moment, using any type of mobile device that has a web browser.

Any enterprise, regardless of its size or the industry it operates in, can experience flexibility in its actions, adaptability in its operations, and interconnectivity in establishing direct synergies. Soft1 ERP allows safe and reliable access to the company's data, offering automated and real-time collaboration processes with customers and suppliers, complete interface with other systems and effortless modification for instant response to new market challenges.

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COMPANY PROFILE

Office space race: smaller real estate solutions

The right office is a matter of image in the eyes of business partners and competitors. But as SMEs often have a limited budget at their disposal for renting office space, they face the challenge of finding the best solution that fits with their financials. **Anda Sebesi**

Any company, regardless of its size or field of activity, needs an office space that essentially serves as its business card before customers or business partners. With many SMEs short on financial resources, acquiring the ideas such premises can be a stretch. As for all firms active on the local market, the choice is generally between business centers, villas and apartments. “The current trend is for SMEs to choose office space in villas, apartments or business centers on smaller areas. In the past two-three years, a significant number of office buildings have been delivered, both in Bucharest and nationwide. They were financed with European funds and adapted exclusively to promote SME activity,” says Claudia Cetatiou, in charge of tenant representation at Jones Lang LaSalle.

Over 2011-2012, several office building for SMEs financed from European funds were delivered, such as CSDA Siriului and West Gate, Building 5 in Bucharest and Ideo Center in Iasi. “SMEs and start-ups have several financial facilities in these buildings (a below-market rent and integrated administration services) and operational ones such as meeting and conference rooms and a professional reception,” say representatives of CBRE Romania. “Medium companies that have up to 100 employees need a relatively limited area of under 500-700 sqm.

These companies tend to choose spaces in class B office buildings that offer an area per floor suitable to their needs. Villas, apartments or unspecific office spaces are preferred by small and



very small companies that have fewer than 10-15 employees.”

According to a study on the 2014 office market in Romania conducted by Esop Consulting, the office stock available in Bucharest at the beginning of the year (total areas available in class A, B and C business centers and also in villas) reached 956,000 sqm, an 8 percent increase on the same period of 2013. In addition, 82 percent of this stock is in business centers, and about 18 percent in villas.

The same study found that demand on the medium-size company segment increased by about 22 percent in 2013 on 2012. There were minor but positive changes in the structure of demand, based on company budgets. Some 2 percent of companies migrated from the rental band of up to EUR 11/sqm, to EUR 11-15/sqm. In 2013, rents were relatively stable, with slight upwards and downwards adjustments (of up to +/-10 percent), depending on the area and on factors such as the quality of the space,

the vacant period and spaces available in similar buildings.

In addition, medium-size companies' demand was characterized by a clear preference for spaces in business centers (67 percent), to the detriment of villas, which represented only about 33 percent of demand. "From our experience, medium companies that have between 30 and 100 employees allot between 5 and 8 percent of their turnover to rent, so over 2008-2012 the majority of them were forced to adapt to the new economic conditions and adjust their expenses. As for our company, in 2013 we had more demand to relocate to better offices that offer a superior image or a better location for mid-range budgets of between EUR 11-15/sqm/month. We expect this middle segment to slowly recover in the next two years," said Alexandru Petrescu, managing partner at Esop, cited by Wall Street.

Renting an office space in a business center is more expensive than in an apartment or villa. Both the occupancy and the initial costs of renovating the space are higher, and there is less flexibility with the contractual period. "Plus, there are more available options in apartments and villas than in business centers. The benefit for SMEs with offices in a business center is mainly image and comfort," says Cetatoiu of Jones Lang LaSalle.

Last but not least, very small companies could consider office space at Impact Hub Bucharest. Located in Unirii Square in downtown Bucharest, it provides meeting, workshop and conference space. The company offers five membership packages (Hub Connect,

Hub 25, Hub 50, Hub 100 and Hub Unlimited) with prices ranging from EUR 45 for three months to a maximum of EUR 120 per month.

For the maximum fee, an entrepreneur can benefit from unlimited use of work space, access to HubNet, discounted access to events, meeting rooms at a 30 percent discount, fixed locker space and the opportunity to invite a friend who can spend one free Hub Day per month. If a small company does not need the working space it can choose Hub Connect membership which includes unlimited access to community events organized by Impact Hub Bucharest, discounts and invitations to partner events and a dedicated networking and interaction platform (HUBNet - International Online Platform for all HUB members around the world). The price of this membership is EUR 15 plus VAT / month, payable every three months.

Asked whether the Romanian real estate market caters to local SMEs' needs for office space, Cetatoiu says that there are solutions for such firms both in apartments and villas and in business centers. "As for business center developers, except those who benefited from European funds and have office buildings exclusively for SMEs, they tend to be more focused on buildings for tenants that require larger areas, and can assume a rental period of about three to five years," adds Cetatoiu. In her opinion, when choosing office space, an SME looks at the cost, considering its limited budget, contractual flexibility and the possibility to extend it, the location and access to the working point.

Social responsibility confers reputational benefits

The local corporate social responsibility (CSR) market has changed steadily over recent years, with companies aiming to develop long-term projects with a greater impact on the communities in which they operate. Although projects developed by large companies are more visible in communities, SMEs are starting to become a player on the local CSR market. **Anda Sebesi**

At present, the corporate social responsibility (CSR) concept is still part of an emerging market in Romania. While multinationals and large Romanian companies have gradually started to develop their own culture of social responsibility (SR), rolling out short- or long-term CSR programs, SMEs do not have a clear perception of these practices. In addition, central, local and regional public authorities are often barely involved in promoting the CSR or SR concepts for the benefit of the communities they are part of. As the result, their involvement in CSR campaigns is still very limited, but with globalization and European integration both companies and Romanian organizations need to embrace a socially responsible attitude in order to remain profitable on the market.

In recent years, both the public and private sector have taken steps to

encourage small firms to get involved in CSR projects. For example, the National Council of Romanian SMEs (CNIPMMR) recently organized a national information workshop as part of the CSR for ALL project - Social Responsibility for ALL, financed by the European Commission. “Noting the responsible practices and skepticism that we meet both in Romania and worldwide, we base our opinions on years of research into the effects and benefits generated by CSR practices. All this research has proved that in time, both customers and key opinion leaders and other stakeholders are inclined to reward a company that has responsible practices or sanction it for irresponsible behavior,” says Dragos Dehelean, coordinator at ResponsabilitateSociala.ro. “With SMEs, CSR is an issue mostly for companies that export and have direct contact with the final consumer. Further pressure comes

from European Union legislation, and more and more regulations that ease access to public acquisitions and lay down conditions about waste management and energy efficiency. These affect all of us directly.” Elsewhere, Rodica Lupu, manager of the RSC Network - We Act Responsibly, says that social responsibility should be seen neither as optional nor as an additional cost. The ongoing transformation of the business environment along with increased competition has reduced the natural resources available, while an unstable economic and political environment pushes firms to implement new business models. “The return on investment of a social responsibility strategic program among employees can be up to sixfold,” says Lupu of RSC.

In the domain of private initiatives, this year Metro Cash&Carry Romania organized Metro - The Stars of the Community, a competition for entrepreneurs whose SMEs have run social responsibility programs in the communities where they operate. Philanthropic activities, projects for individuals with disabilities, programs for employees, support for social causes, the restoration of sites of local interest, local events and festivals were all eligible. The winner will receive a RON 200,000 award, of which half will be used on future social responsibility projects. But why should SMEs adopt CSR strategies and develop such projects? Although the CSR concept is mainly associated with large companies, it is also a strategic tool to increase SMEs’ competitiveness. According to the current market data, there are about 23 million SMEs in Europe, representing over 98 percent of all businesses. In addition, SMEs are one of the major employers in the EU,

responsible for two thirds of total private sector jobs.

However, the specific impact of their involvement in CSR actions often cannot be expressed in facts and figures. On top of that, it can take a few years until SMEs see the real impact of their CSR projects and thus notice the positive results of their social involvement.

Specialists say that CSR can positively influence SMEs’ competitiveness in many ways: improved products and/or production processes, resulting in greater customer satisfaction and loyalty; higher employee motivation and loyalty, resulting in greater creativity and innovation; better publicity due to the awarding of prizes and/or enhanced word-of-mouth; a better position on the labor market and better networking with business partners and authorities; cost savings and increased profitability due to the more efficient deployment of human and production resources; plus increased sales due to a competitive advantage derived from social responsible activity. Furthermore, CSR may also ease access to new markets and European funds and increase negotiating power as the firm establishes itself a reputation as a responsible player on the market. Last but not least, SMEs can benefit from a better image in the communities where they operate.

In general, SMEs adopt socially responsible behavior for many reasons. First, they have fewer employees and so it is easier for them to implement a responsible organizational culture. Second they are more flexible and can react more quickly to opportunities. In addition, their decisional processes are quicker and can more easily adapt to change if it brings them benefits.

Thriving on a strong corporate culture

Corporate culture is one of the elements that define the “personality” of a business. It takes years to build, but once it is in place it can be a valuable asset for a company’s future development, say commentators. **Anda Sebesi**

Any company, regardless of its size or whether it is a local or multinational business, has a specific organizational culture. According to Entrepreneur.com, corporate culture is a blend of the values, beliefs, taboos, symbols, rituals and myths that all firms develop over time. Corporate culture describes and governs the ways a company’s owners and employees think, feel and act. A firm’s business culture can be founded on beliefs included in its mission statement. It could consist in part of a corporate symbol, but whatever shape it takes, corporate culture plays a significant role in determining how well a business will do.

Although they operate on a smaller scale, SMEs have their own corporate culture tied up with any set of internal regulations, habits or so called “good practices.” Whatever industry they are active in, the majority of SMEs operating on the Romanian market are entrepreneurial companies. “This is reflected in the way they develop their cultures. Such companies are focused on the personality of their

Characteristics of corporate cultures that lead to success

- A clear mission
- Employee commitment
- Fully empowered employees
- High integrity in the workplace
- Strong trust relationships
- Highly effective leadership
- Effective systems and processes
- Performance-based compensation and reward programs
- Being customer-focused
- Effective 360-degree communications
- Commitment to learning and skill development
- Emphasis on recruiting and retaining outstanding employees
- High degree of adaptability
- High accountability standards
- Demonstrated support for innovation

entrepreneurs and the way they build their vision of the business, communicate and interact with their teams, partners and customers,” says Gabriel Pavel, sales and marketing director at RBC.

Sebi Vasilescu, CEO at Samdam Gifts, thinks that corporate culture is connected mainly to the company’s leader. “In order for an SME to have an active and real corporate culture, it has to be managed by a leader. It is not enough to be managed by a simple manager. Hence, the corporate culture concept takes shape in the eyes of all employees and they are guided by the same rules, values, standards and organizational beliefs,” he says. “I think that you can create a corporate culture through interaction of the members and messages that represent the common beliefs and values.”

Organizational culture cannot be built overnight. It is an ongoing process that can shift in time. Company cultures evolve and change. As some employees leave the company and replacements are hired, the company culture will change. If it is a strong culture, it may not alter much. However, since each new employee brings his or her own values and practices to the group, the culture will change to some extent. In addition, as the company matures from a startup to a more established entity, the environment in which it operates alters (the laws, regulations, business climate, etc.) and the company culture will also change. Such changes may be positive, or they may not. The differences in company culture may be intended, but are often unintended. They may be major

alterations or minor ones. But what is important is to be aware that the corporate culture will change.

“A company can choose to be focused on customers, investments, innovation or its team. These are examples of corporate cultures,” adds Pavel. Corporate culture is a major ingredient in most of a firm’s internal processes, from operational ones like developing a new product or service, to HR ones. There are cases when a candidate for a specific position doesn’t fit with the specific organizational culture of a firm and so would not be a good hire. “A company’s culture can become a ‘proxy’ through which ideas, processes and resources can be filtered when they come into an organization,” says the RBC representative. “In addition, in time, customers recognize these cultures and make decisions based on whether they feel close to the organizational culture of their suppliers or not.”

Pavel thinks that the majority of SMEs on the market are aware of the concept of corporate culture. Whether it is formalized or not, whether they use the term or not, any SME that has a long-term vision of its business realizes how its corporate culture grows and defines itself once its business becomes mature. “Mostly it is not about a proactive approach but a self-discovery phenomenon generated either by the critical moments that a company faces or major changes of the business or shareholders,” outlines the RBC representative.

However, Vasilescu of Samdam Gifts has a different opinion. “Unfortunately, I don’t think that there is a real corporate culture at the level of Romanian

SMEs - at least not in the true spirit of this concept. I think that each visionary manager or entrepreneur of an SME has adapted this concept and tried to some extent to implement it in his or her business at a low cost.”

Asked about RBC, Pavel says that its corporate culture is connected closely to setting, maintaining and developing the communication process between a manager and an employee. “After recruiting, we formulate a framework involving the responsibilities of the job and goals. Together with the manager we pledge to keep to this framework, setting expectations and respecting both formal and informal promises made in the labor contract,” says Pavel. Then, based on regular meetings with HR representative, the new employee and his or her manager start the process of building mutual trust. “A good example of a poor integration was when we hired a new department manager who was rejected by his team because of their uncorrelated expectations. It took six months to get them moving in the same direction. But looking back, this new chief said that it was better to be rejected at the beginning because he needed to see his team from a different perspective,” adds the RBC representative.

The perception of affiliation is another significant component of corporate culture. This means that every employee wants to give more for the company to perform better and post the best results possible. “This affiliation is demonstrated by the additional effort that makes the difference between success and failure. They all know that the outcome counts and

How to align company culture with strategic goals

- Develop a specific action plan that can leverage the good things in your current culture and correct the unaligned areas
- Brainstorm improvements in your formal policies and daily practices
- Develop models of desired actions and behaviors
- Communicate the new culture to all employees, and then...
- Over-communicate the new culture and its actions to everyone

Source: About.com

in order to achieve it we need a lot of engagement,” adds Pavel.

Asked what added value corporate culture can bring to the development of an SME, Vasilescu of Samdam Gifts says it is the essential step that facilitates the transition from an SME thought of as a simple family business to a company with a reputation in its field of activity. “I think that small Romanian firms and their managers don’t consider corporate culture important because they are too preoccupied with surviving on such a volatile market. Those who understand how important it is to focus on developing a corporate culture go to the next level of development,” adds Vasilescu. He says that as Samdam is not a Romanian company it adopted the corporate culture of its mother company. “We are not a typical SME. We have values, collective standards of thinking, rules and habits, as should exist in a company that wants to build respect for itself and its employees,” he concludes.

Tapping into SME's potential

Although the number of SMEs in Romania is rather low compared to the population, entrepreneurs continue to develop sustainable businesses that often mature from a startup to an established company. Furthermore, more and more players are seeing the huge potential of such customers and capitalizing upon it by including tailored services or solutions for SMEs in their portfolios. **Anda Sebesi**

A study conducted by Accace, an outsourcing and business consultancy company, on Central and Eastern Europe ranked Romania second in the region for the affordability of setting up a limited company in terms of contribution to the social capital, at EUR 45, while Czech Republic is top with costs of EUR 1. Slovakia (minimum EUR 5,000), Hungary (EUR 1,737) and Poland (EUR 1,200) languished at the other end. “Compared to other Central and Eastern European nations, we can say that Romania is still among the countries that encourage new businesses if we consider the relatively low costs of setting up a company and especially the short time needed for it to become operational,” says Nicoleta Boaru, corporate services manager at Accace.

But despite this, the number of SMEs in Romania is fairly low compared to the population.

“In Romania there are just over 400,000 enterprises against a population of 19 million. By contrast, in a

neighboring state with half this population there are 430,000 SMEs,” Cezar Iliu, representing the General Directorate for SMEs and Cooperation, Department for SMEs, Business Environment and Tourism, in the Ministry of Economy, pointed out during Business Review’s SMEs How To event. Moreover, most companies in Romania are micro-enterprises or small enterprises, while the mid-size stratum is very thin. Bucharest exceeds the European entrepreneurial average by 22 percent, but there are 28 counties where entrepreneurship is lacking. “Romania is having a hard time stimulating entrepreneurship around the country,” said Iliu. “The Romanian entrepreneurial spirit is suffering,” he concluded.

According to a recent study conducted by the Foreign Investors Council (FIC) on SMEs in Prahova County, the number of companies that invest in the development of new technological processes is low. The study found that the top three business strategy priorities

for the coming years are to enter on new markets, launch new products or services and cut costs.

Tailored solutions for SMEs

Many players active on different industries in Romania have over time adapted their portfolios to include services dedicated to SMEs. From banking, transportation and insurance to real estate and delivery services, SMEs can benefit from tailored solutions that try and meet their needs. DHL is one of the companies that have tackled the sector, having developed a series of dedicated tools and platforms designed to assist SME customers. For example, online shipping tools, available through the MyDHL website, enable customers to access shipping tips, useful information, and general assistance in shipping to the DHL network of 220 countries worldwide. "We have also launched a number of new products tailored to this segment of the market. Of particular relevance is one such tool, Receiver Paid, which enables customers to import shipments from abroad, and pick them up at a DHL Service Point, without the need to pre-pay or sign a contract. Since its launch last year, this product has proved extremely popular, as shippers increasingly appreciate the flexibility that it enables," says Daniel Kearvell, managing director at DHL Express Romania.

He adds that an effective logistics service will deliver a number of benefits to an SME, such as: efficiency and seamless negotiation of the customs clearance process; expert understanding and knowledge of trade and transport infrastructure; visibility of shipment



DHL is present in over 220 countries and territories across the globe, making it the most international company in the world. With a workforce exceeding 285,000 employees, DHL provides solutions for an almost infinite number of logistics needs. The worldwide brand DHL stands for speed, reliability and global service.

DHL Express is the global market leader in the international express business, transporting urgent documents and goods reliably and on time from door-to-door in more than 220 countries and territories, and operating the most comprehensive global express network.

DHL has 22 years' experience on the local express courier market in Romania, having nearly 500 employees, operating 3 cargo aircrafts, 200 vehicles and being present in 42 locations situated in the most important cities all over the country, that ensures 100% national coverage.

DHL Express Romania is the first international express company established in Romania and the first company in its industry ISO 9001 and TAPA certified.

On the Romanian market DHL Express offers a wide range of international and domestic express services which offer fast, secure deliveries and the best coverage on the industry, with an unique integrated network. The categories of services include:

- DHL Same Day, the perfect service for all mission-critical deliveries, so that customers can respond to last minute, urgent requests.
- Time Definite International services offer fast door-to-door delivery by a certain time – overnight or on the next possible business day.
- Time Definite Domestic services for document and non-document shipments with door-to-door delivery throughout Romania.
- Day Definite services offer reliable door-to-door delivery for European destinations within a certain number of days via road transportation.

DHL Romania was awarded six times consecutively with Superbrand title on Romanian market by the most important branding authority, Superbrands Council.

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movements and reliability and timeliness of delivery. “For SME customers, DHL often acts as an extension of their business, streamlining and simplifying these processes to ensure a seamless supply chain. For new and small businesses, we offer guidance and support through consultancy, and clients can tap into our insight and expertise to identify key growth opportunities,” says Kearvell. “Our logistics experts in many markets even run training courses and seminars to ensure SMEs are equipped with the knowledge they need. SMEs often work within very tight budget and inventory constraints, so it’s vital that any logistics solution takes this into account.”

According to the company’s representative, for DHL Express Romania the SME segment makes up about 80 percent of its total 5,000 customers, and brings over 60 percent of total revenue. “This segment of the market is one of the fastest growing for DHL, and certainly an area where we see tremendous potential for future growth and expansion. Of 2.6 million DHL customers globally, SMEs make up an estimated 92 percent,” adds Kearvell.

Elsewhere, Air France, KLM and partners Alitalia and Delta Air Lines have offered a common benefits program for SMEs since 2010. “Bluebiz is a program dedicated to those companies that undertake business travel with the four company partners. It is a tool that helps to reduce the travel budget. A company included in this program gets Blue Credit points (one Blue Credit point is the equivalent of EUR 1) for each flight and the points can be used to purchase a flight with Air France,

KLM, Alitalia or Delta Air Lines,” says Claudia Stroescu, SME business developer at the representative office for Air France and KLM Romania. According to her, the local companies that are Bluebiz members account for 25 percent of the total sales of Air France KLM Romania.

All of this proves that SMEs have a huge potential for development. But spotting market opportunities may not be enough for an SME, which also needs to invent and reinvent permanently to adapt to the market conditions and meet the needs of its customers. Creating a brand or even rebranding is often one of the best ways to gain market share. For example, Cosm-Fan, a company that owns a retail network of 27 butchers’ shops in Cluj-Napoca, recently started a store rebranding process. “The process was generated by the need to connect local meat retail to European standards and values.

The new concept store in Cluj was the result of our intention to share with our customers our accumulated experience abroad. In time, all 27 shops will be rebranded and reach European standards,” says Cosmin Moldovan, CEO at Cosm-Fan. The retailer has over 200 employees and posted a 2013 turnover of RON 41.8 million. “Construction of a brand is a complex and difficult process for an SME. You need to have an up-to-date production facility, invest constantly in modernization and advertising, raise quality standards permanently and build a competitive team. Last but not least you need money and to never stop,” advises Moldovan.

SMEs' heads get in the cloud

Small and medium-sized enterprises (SMEs) should be among the first to jump at the opportunity to adopt services hosted in the cloud, attracted by the flexibility, low upfront costs and competitive edge that this technology can offer them. But providers must invariably answer the data privacy question when having “the cloud talk.” **Otilia Haraga**

Data storage in the cloud has its obvious upsides, but does raise a series of security issues, such as the processing and storage of users' personal data (name, telephone number, personal security code, address and so on), especially due to the deficient national legal framework, argues Nicoleta Boaru, corporate services manager at Accace. She explains that in the European Union things are about to improve, as soon as a regulation is adopted on the protection of individuals in the processing and free circulation of personal data.

“The present form of the agreement stipulates the foundation of an authority to supervise personal data at the level of the European Union, as well as significant fines where the personal data framework is not observed. Once adopted, the regulation will be applied directly in the member states,” says Boaru.

In preparation for the regulation, the Work Group for Data Protection has adopted Notification 5/2012 on

cloud computing, relating to individual protection in the processing and free circulation of personal data.

“The notification outlines the way in which the large-scale introduction of cloud computing services can generate a series of difficulties associated with data protection, caused especially by cloud users' lack of control of personal data protection as well as insufficient information regarding how, where and who is processing/sub-processing the data,” comments Boaru.

However, she points out that the notification does offer concrete information on the security criteria in place. “Any cloud service provider must meet all traditional data security parameters such as availability, integrity and confidentiality, but also have in mind the fact that data protection is not limited to security but also to transparency, isolation, the possibility of intervention and portability to respect the human right to data protection, which is stipulated in the Chart of Fundamental



Rights of the European Union,” says Boaru.

Trends on the cloud computing front include a constant decline in prices, due to competition between Microsoft and Amazon, product diversification, with a very fast launch rate of new products, but also the consolidation of players’ presence on eastern markets, as more and more data centers are opening in China, Japan, South-East Asia and Australia, Alexandru Lapusan, CEO of Zitec, tells BR.

“At the moment, all major cloud solutions are provided by companies in the United States, the largest being the Amazon and Microsoft clouds. Romania is a consumer of these

cloud solutions, since there are many Romanian software companies that are developing for them. In terms of revenues from services based on cloud computing, Romania is a small player both at global and regional level, in Eastern Europe, says Lapusan.

He adds that usually, simpler services such as virtual machines are in demand, but companies that start with these will quickly experiment with other services offered by the cloud supplier, such as data storage.

“Romania has high potential in adopting cloud services given that it has an average internet connection speed that puts it among the top five countries in the world, which

proves that even if it has to catch up in some fields, the recovery will benefit from the latest technologies, “Adrian Blidarus, managing partner at Softelligence, tells BR.

Blidarus says that bridging the gap between Romania and Western Europe depends on many factors, including the capacity to invest in new IT solutions, making the legal framework more invisible and corporations’ and government appetite for this technology, given that the bulk of total IT expenses are in this area.

He says that profit margins for cloud suppliers are not yet very high, since this technology is still in the early stage. “Suppliers are keener to reach a high adoption rate than to build profit margins,” he says.

According to Razvan Stoica, CEO of GTS Telecom, the cloud adoption rate in Romania is relatively low, but exceeds the Eastern European average. In the SME sector, cloud is gaining ground. “The business model where infrastructure services are provided at professional level based on a subscription, which would otherwise be expensive and take a long time to recover, is well suited to this sector because one of SMEs’ main needs is to be able to serve their clients better on a fiercely competitive market with very low or no initial costs, directly correlated with the size of the business. As the business grows, the revenues will also grow and cover higher costs, so they can rely on the flexibility of the cloud,” says Blidarus.

With the traditional model, an enterprise must invest at least in infrastructure such as servers, a data



Ymens is the first cloud broker in Romania providing dedicated cloudsourcing solutions to private and public organizations, through which they can access a modern working environment, 100% dedicated to increasing productivity and achieving the best results. The cloudsourcing solutions enable companies to use cloud business applications and to benefit, at the same time, from a complete suite of services for consulting, support, administration and maintenance, along with BPO (business process outsourcing), AMS (application management services) or IT outsourcing and security.

As a company member of the Teamnet Group – leader in the integration of IT&C solutions in Romania – Ymens provides since 2012 the first platform of business solutions available as SaaS (Software as a Service) to private and public organizations in Romania, as part of its innovative business model. Responding to various needs, from the control of revenues or expenditures, customer relationship management or human resources, efficient management of documents, fleet and internal processes, the solutions hosted on the Ymens platform benefit from an intuitive interface, which makes them easy to use by any organization, from the smallest to the largest, regardless of the industry.

In 2014, adapting to market requirements, the company approaches a new strategy, of cloudsourcing, which complements the cloud applications offer with a wide range of services, from consulting, implementation and support to business process outsourcing (BPO), IT outsourcing, application management services (AMS) or IT security.

Ymens offers a versatile cloud platform dedicated to support and increase efficiency in various work environments. With 14 cloud applications in the platform and a wide range of services, Ymens’ offer includes: the CRM suite of solutions for the efficient management of customer relationships, the ERP suite of solutions, dedicated to the planning and optimization of the resources and processes within the company and the productivity suite, with direct impact on increasing the results in the collaboration and communication area.

Ymens has developed partnerships with well-known local IT companies in order to integrate the most suitable market-tested applications, becoming IBM Business Partner and Microsoft Silver Portals and Collaboration Partner. With an innovative business model, a wide array of products and services serving the customers and a team of 60 specialists, Ymens supports any Romanian business in becoming a true success story.

For detailed information, please visit: www.ymens.com.

Contact: Alina Georgescu, Sales Manager,
sales@ymens.com, 031.9201

room, internet connection, acclimatization and electricity supply (which can become prohibitive for many SMEs). In time, even more investments are necessary to replace outdated components, says Blidarus.

By contrast, cloud computing can offer SMEs a competitive edge by helping them tackle some of the financial leaks that beset cash-strapped SMEs.

“In Romania, outdated solutions that do not meet the current needs and requirements of the market are still being used,” comments Liviu Buligan, executive manager at SoftOne. According to him, the budget that SMEs set aside for investment in software solutions to optimize activity is generally less than 10 percent of their annual profit.

“Since the start of the year, we have seen much higher demand for the implementation of business software solutions, triggered by the fact that young entrepreneurs and SMEs have been able to access non-reimbursable funds from the state budget,” says Buligan.

He recommends cloud ERP as the most cost-effective solution, which even small and medium companies can afford because it does away with various expenses incurred through having their own server. SMEs will no longer have to worry about the costs of IT staff, their own servers, equipment and so on.

“A large weight of the total cost of a traditional ERP is implementation costs, which include infrastructure and consultancy for using, configuration and customization. These drawbacks can be completely removed by using a cloud ERP,” advises Buligan.

According to Alina Georgescu, sales manager at Ymens, cloud computing allows SMEs to access the same applications and services that were once available only to enterprise organizations. “In a more and more dynamic market, an SME using cloud is agile, technologically updated and competitive,” she comments.

Furthermore, the cloud brings great opportunities for optimizing operational costs. “In Europe, up to 81 percent of companies using cloud reported cost reductions, while 41 percent saw productivity increase and 35 percent gained new business,” says Georgescu.

She adds, “In Romania, a Ymens case study found that a medium distribution company increased the number of business opportunities by 35 percent and the number of net new customers by 7 percent. These were the results reported by the firm after only three months of using cloud solutions in order to better manage its relationships with customers.”

To conclude, cloud is being embraced by more and more business players, SMEs and other entities alike. “The only factor that puts a brake on the expansion of this technology is probably awareness within companies. (...) There is great support for the adoption of cloud services in top management, which rapidly understands the financial upsides and the flexibility of these solutions. However, IT departments are rather conservative, both due to their lack of experience with these solutions and also the false impression that the adoption of cloud solutions will affect their activity and control, says Lapusan of Zitec.

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- Access information anytime and from anywhere?
- And still lower your costs?

Then you definitely need cloud. Choose the right solution for your business from the Ymens platform! We will dedicate ourselves to your company and provide you support, training and consultancy services.



One business. Endless possibilities.

With Ymens, you can rapidly access modern and flexible cloud business solutions, tailor-made to address your everyday activities, workflow, number of employees and technological requirements. Simple. Fast. Efficient. Just the way you need it!

Productivity Suite

eMail
Collaboration Suite
Office 365
Ymens ECM

Intranet
Planificator
Jurist

CRM Suite

Ymens CRM
Mesager
eMagazin

ERP Suite

Integrator
Factorator
Recrutur
Autolog