

ACADEMIA DE STUDII ECONOMICE DIN BUCUREȘTI

CNFIS-FDI-2023-F-0159, “DEZVOLTAREA INOVATIVĂ A COMPETENȚELOR PRACTICE ȘI DIGITALE ALE STUDENȚILOR PENTRU INTEGRAREA ÎNTR-UN MEDIU DE AFACERI CARACTERIZAT DE INCERTITUDINE, BAZAT PE AGILITATE, CONECTIVITATE ȘI REZILIENȚĂ”

Director proiect: Prof. univ. dr. Dorel PARASCHIV

A4. Desfășurarea unui program pilot inovativ de instruire, dedicat dezvoltării abilităților practice ale studenților

RESURSE EDUCATIONALE INTERACTIVE ȘI INOVATIVE DEDICATE DEZVOLTĂRII ABILITĂȚILOR PRACTICE ALE STUDENȚILOR

**LANȚURI DE APROVIZIONARE REZILIENTE ȘI DURABILE -O
PERSPECTIVĂ EST-EUROPEANĂ**
*Resilient and sustainable Supply Chains - An Eastern
European Perspective*

**“Resilient and sustainable
Supply Chains - An Eastern
European Perspective”**



Topic Outline

1

Introduction

2

**Central and Eastern
Europe region and
Romania**

3

About DB Schenker

4

**Microeconomic
perspective of DB Schenker**

5

**Become efficient,
resilient and sustainable**

6

Conclusions

DB SCHENKER



Introduction

This presentation focuses on the resilience and sustainability of supply chains in the context of Eastern Europe.

This region has been undergoing significant changes in its economic and geopolitical landscape, which has implications for supply chain management.



Central and Eastern Europe region and Romania



Central and Eastern Europe

PESTLE Analysis

Political: The political transformation in this post-Cold War region marked a significant shift from authoritarian regimes to democratic governance, facilitating the integration of many CEE countries into the European Union.

Economic: The economic landscape of the CEE region has been characterized by a dynamic transformation from state-run economies to market-based systems.

Social: The CEE boasts a rich tapestry of cultures and histories, offering a unique blend of traditional and modern influences.



Central and Eastern Europe

PESTLE Analysis

Technological: There's a growing emphasis on digitalization and the development of the IT sector across the region.

Legal: The legal systems in CEE countries have been largely harmonized with EU standards, especially for those within the Union.

Environmental: Environmental sustainability is increasingly at the forefront of policy agendas in the CEE region.



Central and Eastern Europe

SWOT Analysis

Strengths

- a good strategic location
- skilled and educated workforce
- relatively low labor costs

Weaknesses:

- dependence on foreign investments
- some areas suffer from outdated infrastructure

Opportunities

- the burgeoning technology
- growing demand for services and green energy

Threats

- geopolitical tensions
- global economic fluctuations
- demographic challenges



Romania



PESTLE Analysis

Political: Romania's transition to democracy and EU accession marked a pivotal shift in its political landscape because it brought political stability and integration into European frameworks, boosting its international standing.

Economic: Romania's economy is one of the fastest-growing in the European Union, largely driven by a robust industrial sector and a burgeoning service industry.

Social: Romania is recognized for its highly educated workforce, particularly in areas such as technology and engineering.



Romania



PESTLE Analysis

Tehnological: Technological progress in Romania is notable, especially in the IT and communications sectors.

Legal: Romania's legal framework is aligned with EU laws, ensuring a stable and predictable legal environment for businesses

Environmental: Environmental sustainability has become increasingly pivotal in Romania's policy landscape. The focus is on promoting sustainable development, enhancing energy efficiency, and transitioning to renewable energy sources.



Romania



SWOT Analysis

Strengths

- dynamic economy
- strategic geographic location
- highly skilled workforce
- natural resources

Weaknesses:

- underdeveloped infrastructure
- bureaucratic hurdles

Opportunities

- development of the technology sector
- enhancing energy independence through renewable energy sources

Threats

- changes in EU policies
- aging population, emigration of skilled workers,
- political instability pose





About DB Schenker

- a leading global logistics provider that offers a wide range of services to its customers worldwide;
- a division of German rail operator Deutsche Bahn;
- employs over 72,000 staff spread across about 2,000 locations in about 140 countries;
- the company's services include land transport, air and sea freight, contract logistics, heavy transport and supply chain management.



Microeconomic perspective of DB Schenker

Company values



Integrity

People

Teamwork

Quality

Honesty

Pushing Limits

Portfolio of services & clients

- DB Schenker offers a wide range of global logistics solutions and supply chain management services.
- Some of the key services in their portfolio include transport, contract logistics, supply chain solutions and digital services.
- Additionally, DB Schenker provides land transport, worldwide air and ocean freight, and comprehensive logistics solutions from a single source.
- DB Schenker's client base includes a wide range of global and local firms across various industries.
- The company manages large and complex supply chains for multinationals such as Apple, Procter & Gamble, Dell, ASML, and BMW, among others.

Logistic tools

Contract Logistics: DB Schenker's digital platform provides tools that offer maximum support at every stage of the supply chain, from supplier to customer to end-consumer delivery. DB Schenker's contract logistics services include warehousing, distribution, and value-added services such as packaging, labeling, and assembly.

Freight Management Systems: Company offers freight management systems that provide easy access to more than 80 services for logistic tasks, as well as transparent insights into every step of the process. DB Schenker's freight management systems provide end-to-end visibility into the supply chain, from planning and execution to tracking and reporting.

IT tools

- DB Schenker offers various IT tools to streamline operations and enhance customer experiences. While specific tools may vary over time, they typically provide solutions for tracking shipments, managing inventory, optimizing supply chain processes, and facilitating communication between clients, suppliers, and carriers.
- This company provides advanced tracking systems that offer real-time visibility into the movement of shipments across the globe. These tracking systems are designed to offer comprehensive and precise information about the status and location of shipments throughout their journey, enabling customers to stay informed and in control.

IT tools

- **DB SCHENKER | connect** gives you all your transport and logistic services on one platform, so you have full control over your business. Through this app, the booking process undergoes simplification, allowing individuals to focus more on their customers. The services are available 24/7 – you'll have access to what you need, right when and where you need it. Users have the freedom to configure their workspace according to their preferences with the enhanced dashboard.

 **SCHENKER**

connect 4.0

IT tools

- **DB Schenker Insurance:** DB Schenker goes beyond mere transportation; they ensure the protection of goods. Drawing from extensive experience and an unwavering commitment to customer support, DB Schenker offers dedicated guidance. Their expertise in cargo insurance for trading companies, exporters, and importers is supported by a team of seasoned risk management professionals.



Management

DB Schenker's approach to management in handling global disruptions is dynamic. The management team plays a pivotal role in steering the company through uncertainties and challenges in the logistics sector. Here are key aspects of DB Schenker's management strategy:

- Risk Control
- Agility and Adaptability
- Technology Integration
- Global Coordination
- Talent Development
- Sustainable Practises
- Cooperation with Stakeholders



Board of Management

As of November 1, 2022, the following members make up the Board of Management:

- Jochen Thewes – Chief Executive Officer (CEO)
- Christian Drenthen – Member of the Board of Management for Land Transport
- Hessel Verhage – Member of the Board of Management for Contract Logistics
- Christa Koenen – Member of the Board of Management (CIO/CDO, People and Organization)
- Jakob Wegge-Larsen – Member of the Board of Management (CFO)



Budgeting

FIRST HALF OF 2023

- The decline in overall volume development can be attributed to a subdued market environment characterized by a lack of economic stimulus and heightened uncertainties about future developments.
- Economic development, particularly influenced by air and ocean freight, experienced a considerable weakening.
- Income development suffered due to significant drops in revenues, primarily stemming from lower freight rates, particularly in the realms of air and ocean freight.
- On a more positive note, other operating income witnessed a noteworthy increase of 17.7% (€ +23 million).
- Despite all the financial hardships that DB Schenker encountered in the first half of 2023 it still remains one of the most important logistics operators on a global level.



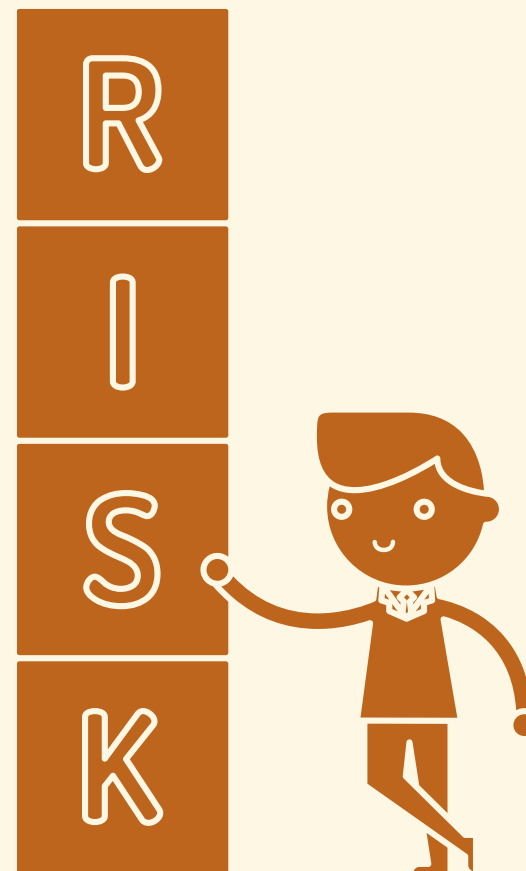


**Become efficient, resilient
and sustainable**



RISK MANAGEMENT

Use effective risk management techniques to detect potential issues and evaluate how they could affect the supply chain.



SCENARIO PLANNING AND SIMULATION

- Develop and keep up scenario plans to simulate potential disruptions and allow for quick response and adaptation.
- Make use of predictive analytics to anticipate possible obstacles and adjust supply chain tactics appropriately.

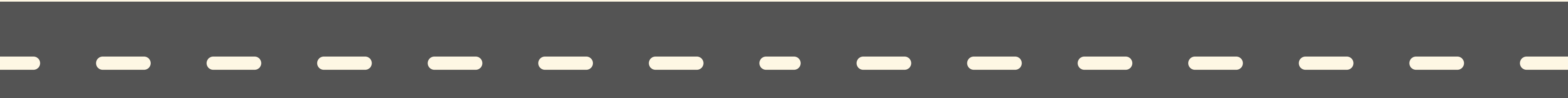
SUSTAINABLE LOGISTICS PRACTICES

- Include environmentally friendly practises in your daily operations, such as planning routes to minimise emissions and utilising energy-efficient types of transportation.
- Investigate green technology and substitute fuels to reduce the environmental effect of logistical activities.



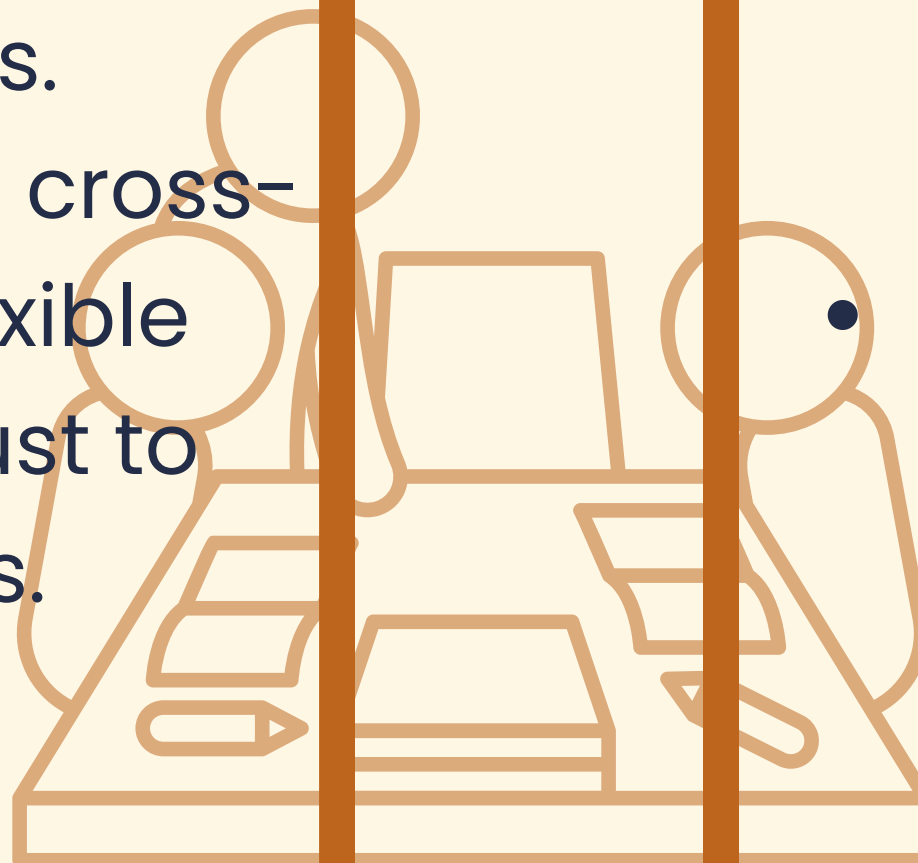
SCENARIO PLANNING AND SIMULATION

- Develop and keep up scenario plans to simulate potential disruptions and allow for quick response and adaptation.
- Make use of predictive analytics to anticipate possible obstacles and adjust supply chain tactics appropriately.



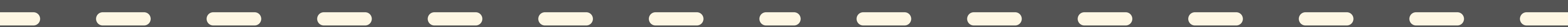
EMPLOYEE TRAINING AND CROSS-TRAINING

- Employees should get frequent training in crisis management, emergency response, and resilience techniques.
- Employees should receive cross-training to provide a flexible workforce that can adjust to changing conditions.



CONTINUOUS IMPROVEMENT AND FEEDBACK LOOPS

- Establish a culture of continuous improvement, encouraging employees to provide feedback and suggest improvements.
- Regularly review and update contingency plans based on lessons learned from past disruptions.



ETHICAL AND SUSTAINABLE PROCUREMENT

- Adopt ethical and sustainable procurement practices, considering social and environmental impacts when selecting suppliers.
- Integrate sustainability criteria into supplier evaluations and performance assessments.

COMMUNITY ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Engage with local communities and contribute to their resilience through CSR initiatives.
- Communicate transparently with stakeholders about sustainability efforts and contributions to community well-being.

Conclusions

- Resilient and sustainable supply chains are essential for navigating the challenges of the 21st century, and the EU is taking steps to strengthen its supply chains through various policy measures and strategic partnerships.
- Companies like DB Schenker can play a crucial role in supporting these efforts by adapting their strategies and practices to align with the EU's goals and objectives.



Resilient and sustainable Supply Chains – An Eastern European Perspective



Contents

01

Introduction to macroeconomics. Romania from the macroeconomic point of view. Central and Eastern Europe from a macroeconomic perspective.

02

The microeconomic perspective of Coca-Cola.

03

Coca-Cola's global disruption. Efficiency and sustainability.

Introduction to macroeconomics

Macroeconomics is a branch of economic theory that studies the functioning of the economy as a whole

Macroeconomics works with aggregate quantities, researching the behavior of the economy in general, such as total income or employment, the inflation rate or business cycles

Any economy consists of **markets** and **economic agents**.

Macroeconomic agents: Households, Firms, The state and Foreign sector.

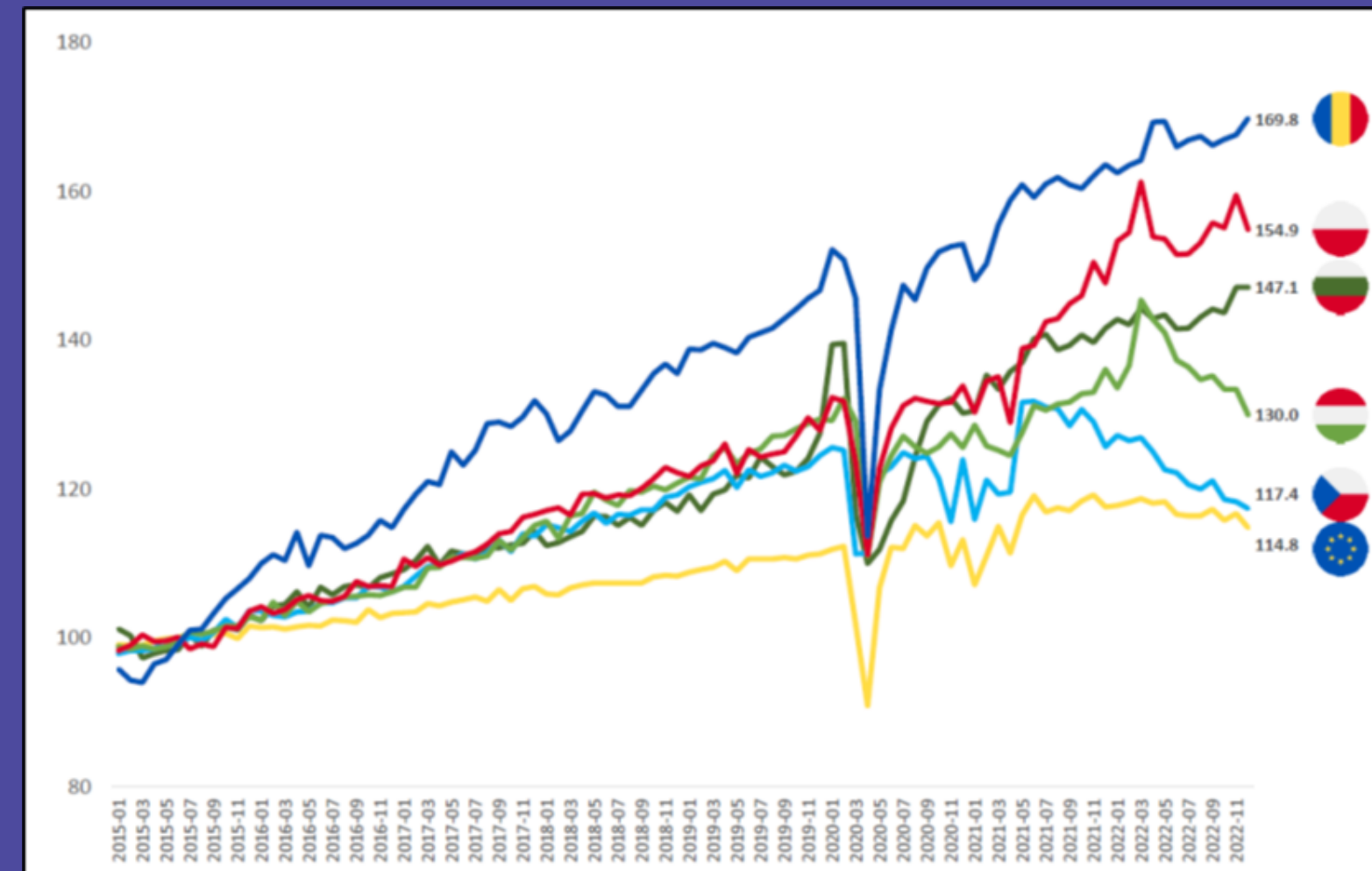
The markets are: labour market, market of goods and services and financial market.

Romania from the macroeconomic point of view

The Romanian retail market has recorded the highest growth in the region

Potential for GDP growth was reduced for macroeconomic stability.

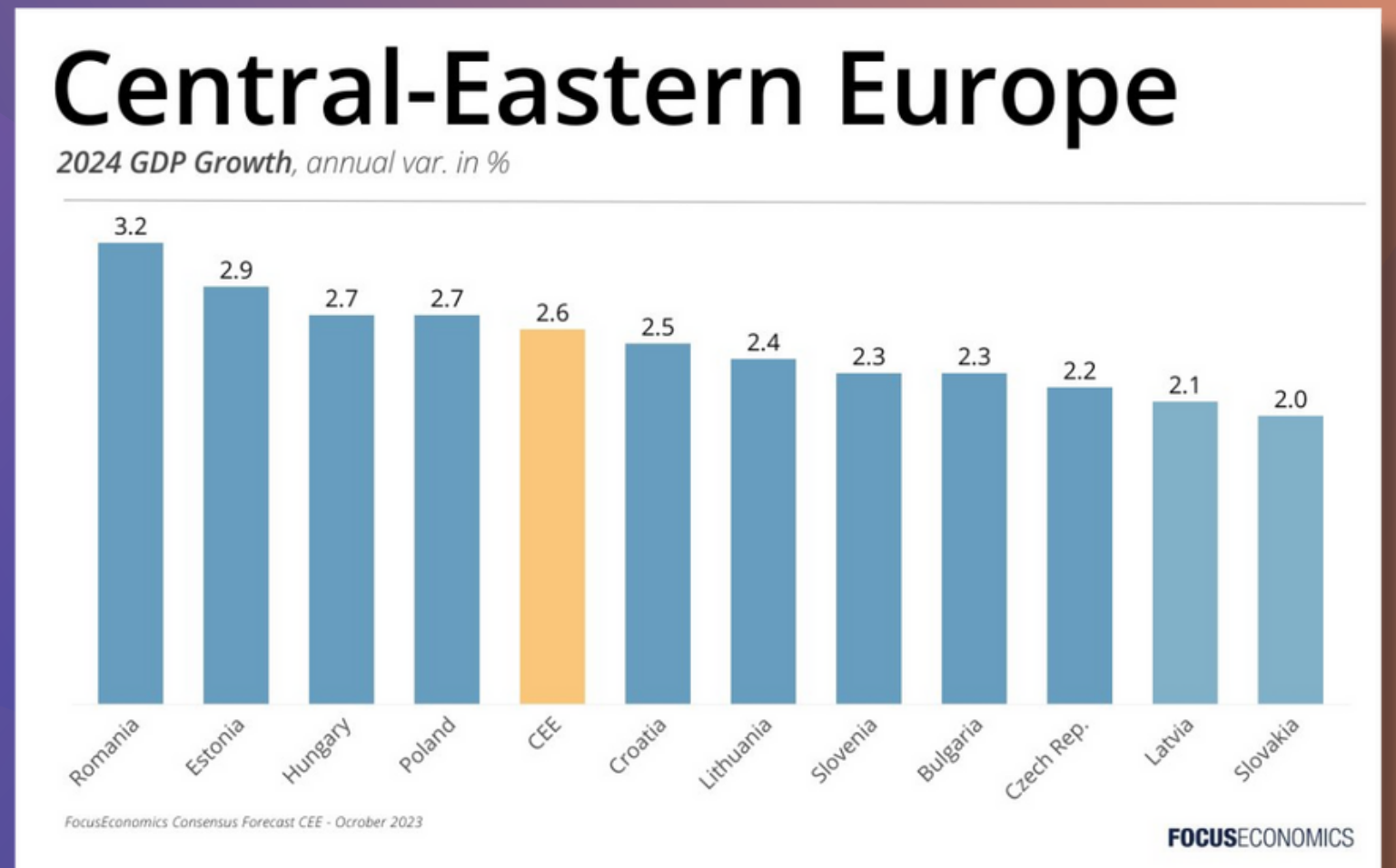
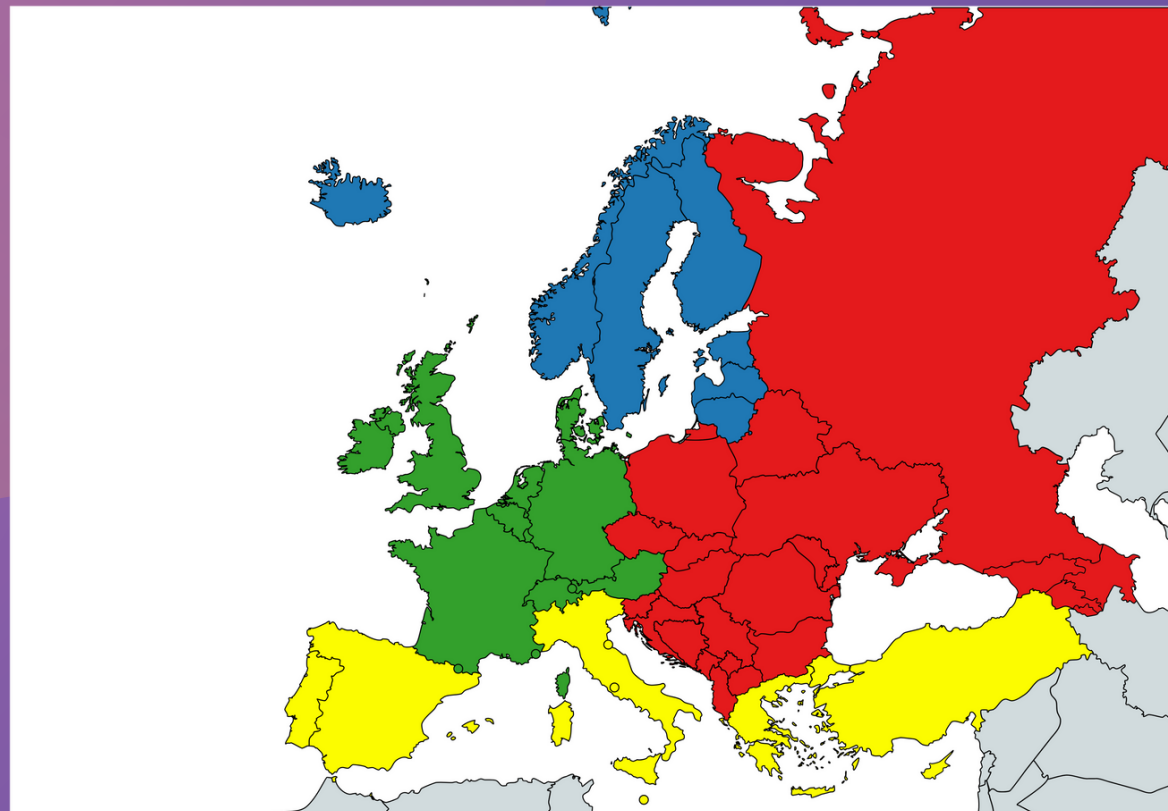
In the first quarter of 2023 compared to the first quarter of 2022 Romania remained in budget deficit.



Romanian retail market growth

Central and Eastern Europe from a macroeconomic perspective

Central and Eastern Europe (CEE) is a region in Europe that includes countries such as Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, and others.



From a macroeconomic perspective, CEE has seen significant economic growth and transformation since the fall of communism in the late 20th century.

Central and Eastern Europe's macroeconomics

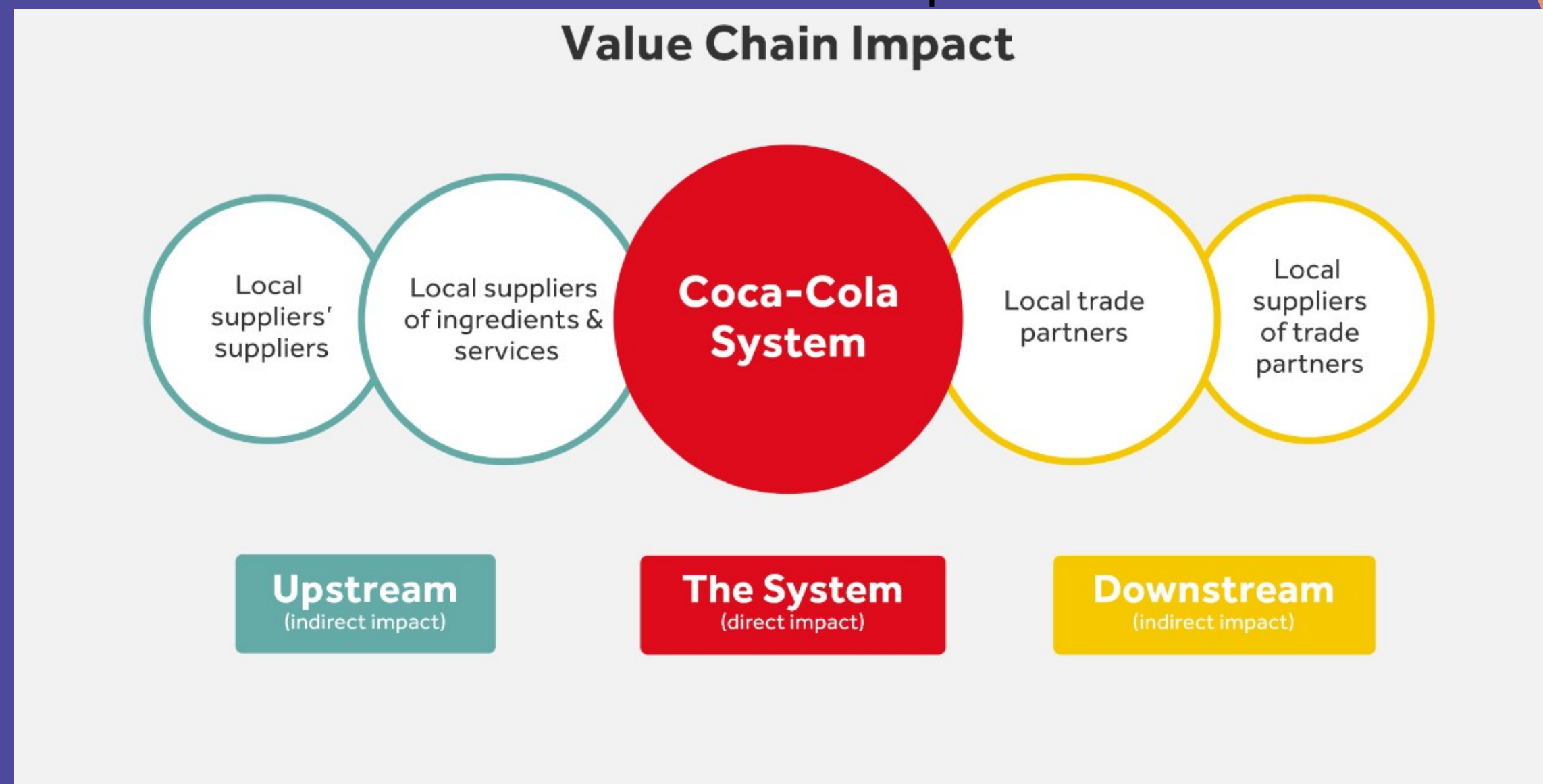
Central and Eastern Europe's macroeconomics is represented by some crucial factors:

- Economic Growth
- Integration with the EU
- Foreign Direct Investment (FDI):
- Export-Oriented Economies
- Infrastructure Development
- Challenges
- Currency and Monetary Policy
- Economic Diversification

This region continues to be an area of interest for investors and policymakers.

The microeconomic perspective of Coca-Cola

The microeconomic perspective of Coca-Cola, particularly concerning handling and global disruption in the logistics sector, involves analyzing how the company manages its supply chain, distribution network, and operational efficiency in response to various economic factors and disruptions.



The microeconomic perspective of Coca-Cola

These are some of the analysed key aspects:

1. Supply Chain Management
2. Price Elasticity of Demand
3. Production Efficiency
4. Distribution and Logistics
5. Global Disruptions
6. Competition and Market Structure
7. Consumer Preferences

Coca-Cola is a multinational beverage company with a diverse portfolio of products, services, and operations:

1. Values
2. Portfolio of Services
3. Clients
4. Logistics Tools
5. IT Tools
6. Management
7. Budgeting

Coca-Cola, as one of the world's largest beverage companies, operates on a global scale and employs a range of tools, strategies, and values to deliver its products to consumers while addressing the challenges and opportunities in the beverage industry.

Coca-Cola's global disruption.

Efficiency and sustainability



Invests in **disruptors, enablers** or successful **adaptors**



Highly experienced **Global Equity specialists**



Actively managed across disruption themes



Long term capital growth and outperformance



High conviction portfolio of 75 - 100 stocks

There are several important activities that must be implemented and are vital for a better global disruption.

Collaboration with suppliers which aim at reducing waste, energy consumption, and water usage.

Harnessing the power of data helps Coca-Cola gain insights into consumer preferences, market trends etc.

Engagement with stakeholders is crucial for fostering a socially responsible and sustainable approach to business operations.

Coca-Cola's global disruption. Efficiency and sustainability

Global disruptions can have profound effects on companies across various industries. Here are some ways in which global disruptions can influence Coca-Cola:



1. Supply Chain Disruptions
2. Operational Challenges
3. Demand Fluctuations
4. Financial Impact
5. Regulatory Changes
6. Technological Transformation
7. Reputation Management
8. Market and Competition Dynamics
9. Remote Work and Digitalization
10. Sustainability Considerations

Conclusion

The Central and Eastern Europe region, including Romania, exhibits notable macroeconomic achievements and challenges.

Despite challenges, the Coca-Cola company demonstrated resilience by innovating and emphasizing supply chain agility.



Enhancing sustainability, resilience, and adapting to global disruptions are key considerations for both the regional economy and multinational corporations.

- 1 ABOUT THE COMPANY
- 2 VALUES
- 3 COCA COLA IN ROMANIA
- 4 SWOT ANALYSIS
- 5 PESTLE ANALYSIS
- 6 THE LOGISTICS SYSTEM
- 7 RECOMMENDATIONS

The image shows the iconic Coca-Cola logo in its signature red script font. The logo is positioned on the right side of the slide, set against a solid black background. The text is written in a classic, flowing cursive style with a white outline, giving it a three-dimensional appearance.

ABOUT THE COMPANY

- **The Coca-Cola Company was first established in 1886 by Dr. John Stith Pemberton. Today the company is the world's leading manufacturer in the beverage industry, operating globally in more than 200 countries with its head office located in Atlanta, USA. It produces more than 300 beverage brands and over 1.06 billion drinks are consumed per day around the world.**

- **According To Coca-Cola: "Our mission statement is to maximize shareowner value over time. In order to achieve this mission; we must create value for all the constraints we serve including our consumers, our customers, our bottlers, and our communities."**



VALUES

- **Leadership**: The courage to shape a better future;
- **Collaboration**: Leverage collective genius;
- **Integrity**: Be real;
- **Accountability**: If it is to be, it's up to me;
- **Passion**: Committed in heart and mind;
- **Diversity**: As inclusive as our brands;
- **Quality**: What we do, we do well.





Coca-Cola HBC
România



○ **Coca-Cola HBC Romania means: 20 years on the Romanian market, 1,900 employees, over 70,000 customers in Romania and the most modern technology for bottling soft drinks.**

○ **Coca-Cola products are bottled in strategically positioned factories in different regions of the country: Ploiesti, Timisoara and Vatra Dornei, thus facilitating the transport and distribution of products in all corners of the country.**

○ **It also owns 14 warehouses and distribution centers, which efficiently complement the company's logistics process.**

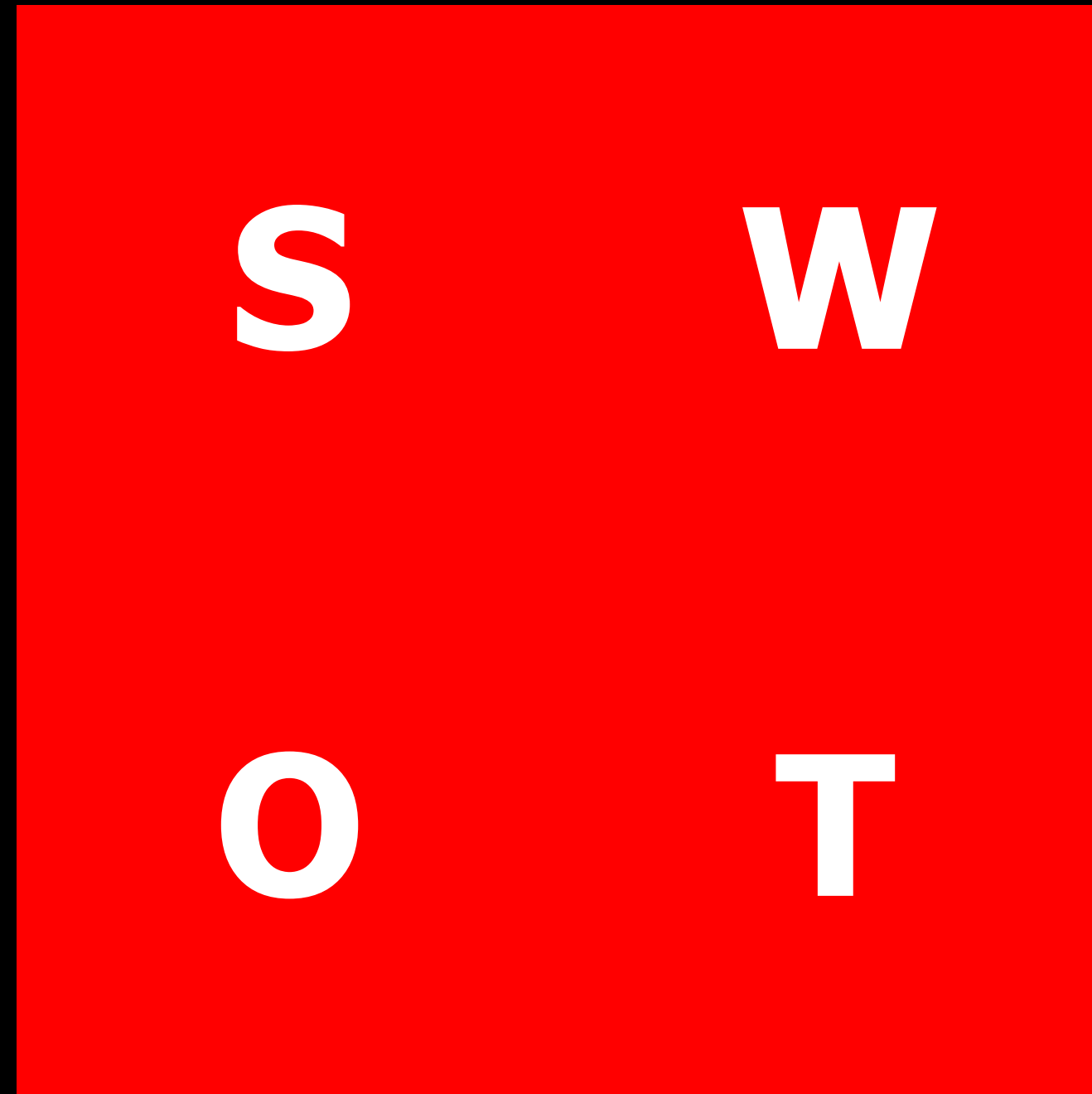
○ **In the Top 100 most valuable companies of 2010, Coca-Cola HBC Romania ranks 19 with a value of 597 million euros.**

STRENGTHS

- **Strong brand identity**
- **Extended global reach**
- **Unparalleled distribution system**
- **Greatest brand association and customer loyalty**

OPPORTUNITIES

- **Increase presence in developing nations**
- **Bring advanced supply chain system**
- **Expand through Acquisition**
- **Packaged drinking water**



WEAKNESSES

- **Aggressive competition with Pepsi**
- **Environmentally destructive packaging**
- **Product diversification**

THREATS

- **Direct and indirect competition**
- **Economic uncertainty**
- **Pollution lawsuit**



Political

- Accounting, taxes, internal marketings, and changes in labor laws can affect Coca Cola;
- Part of the U.E;
- Corruption;
- The war between Ukraine and Russia;
- The possibility of Romania entering the Schengen area.

Environmental

- Water accessibility;
- Strategic location;
- Environmental oriented country.

Legal

- Coca Cola retains all rights related to their business, including past and future products developed with a patented process.

Economical

- Competitors such as Pepsi;
- Generalized increase in prices;
- Economic recession;
- High budget deficit;
- Low taxation for companies;
- High labor taxation;
- The cost of the raw material of the beverages and the trade conditions with the suppliers can affect Coca Cola's business.

PESTLE ANALYSIS

Social

- In Romania, Coca-Cola is involved in various CSR activities, for example the project "Youth is the power";
- Awareness of health;
- Changing consumers' preferences.

Technological

- The brand need research to develop their products. The more they can invest in developing infrastructure, the more opportunity they get to conduct good research.



The transport

“After us” project (2019) encourages a more environmentally friendly transport, replacing diesel-powered trucks with trucks powered by compressed natural gas (CNG).

Stock management

The factory in Ploiesti is a regional export center. Here is the first aseptic bottling line in the country, developed specifically for Cappy Pulpy, which allows juice and fruit pulp to be placed simultaneously in the bottle. Another feature of the Ploiesti factory is the fully automated smart mega warehouse, High-Bay.

About the logistics system

The logistics activity of Coca-Cola HBC is concentrated in the supply Chain Department, consisting of the planning team, production, technical and logistics department. The key word in the supply chain department is streamline.





Portfolio of products





Our recommendations

01

Better relationships with suppliers

02

Less intermediaries

03

Overdependence on third party

04

Sustainable transport

RESILIENT AND SUSTAINABLE SUPPLY CHAINS

AN EASTERN EUROPEAN PERSPECTIVE



Eastern Europe

With members such as Bulgaria, Poland, Romania, and Slovenia Eastern Europe is a strategic and growing logistic Hub.

Thanks as factors such as the recent geopolitical situation, the cutting edge technology and the reduced costs that the region presents, Eastern Europe is a key market that has a growing forecast of 1.2%, double the pace as the one of the whole euro zone.



PESTEL



Political

Political stability and participation in trade agreements, like the EU, influence supply chain regulations and cross-border movements.



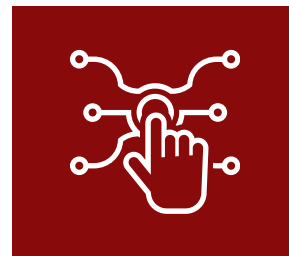
Economical

The region is composed by mainly Former communist countries like Hungary and Romania, countries that have transitioned to market economies, fostering growth and investment



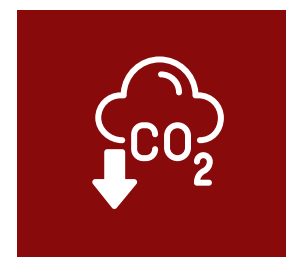
Social

Availability in the region of skilled labor, as well as their work ethic, and cultural attitudes toward work influence directly the workforce productivity and therefore the reliability in the supply chain.



Technological

the region presents an opportunity in technological adoption and modernisation due to Disparities in technology adoption and internet access as well as the level of development in infrastrucur



Ecological

The region has a growing emphasis on sustainable and eco-friendly practices affecting supply chain decisions, including sourcing, manufacturing, and distribution.

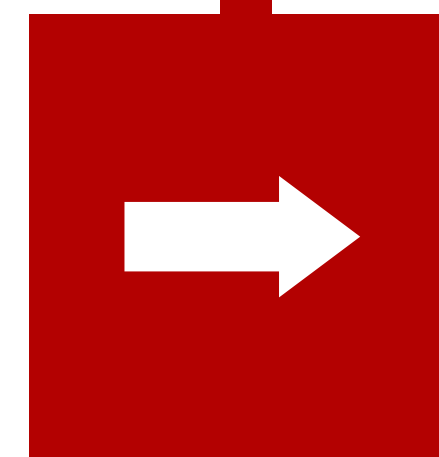


Legal

The legal landscape in Eastern Europe plays a key role in the development of the region, factors such as policies targeting the development of the the infrastructure

Macroeconomic keypoints of Eastern Europe

Eastern Europe comprises diverse economies, each with unique macroeconomic characteristics. Factors like transition from planned to market economies, EU integration, and geopolitical influences shape the region's economic landscape. Analyzing GDP growth, inflation, fiscal policies, and foreign direct investment can provide insights into the macroeconomic trends in Eastern Europe. Additionally, considering the impact of global events and regional collaborations can enhance the understanding of the economic dynamics in this region.



Macroeconomic keypoints of Eastern Europe



In Eastern Europe, disparities in income levels persist among countries, influencing consumer spending patterns and economic development. Currency fluctuations and trade balances play crucial roles, impacting competitiveness. Structural reforms, particularly in labor markets and infrastructure, contribute to economic resilience. Examining the evolving role of technology and innovation, along with the region's response to environmental sustainability, provides a holistic view of Eastern Europe's macroeconomic landscape. Geopolitical tensions can introduce uncertainties, influencing investor confidence and economic policies in the region.

Macroeconomic keypoints of Eastern Europe

Furthermore, the financial sector's stability and the effectiveness of monetary policies contribute to macroeconomic resilience. Central and Eastern European countries often experience the spillover effects of global economic trends, making them susceptible to external shocks. Assessing the levels of public debt and the efficiency of public administration sheds light on the fiscal health of these economies. Collaboration within regional organizations, such as the Visegrád Group, impacts economic cooperation and political dynamics, influencing the overall macroeconomic environment in Eastern Europe.



★ Macroeconomic Perspective: Focus on Romania

Economic Growth

- Positive GDP growth in recent years, contributing to increased consumer spending.

Consumer Behavior

- Growing interest in premium electronic products.
- Increasing preference for online shopping.

Infrastructure Development

- Improving infrastructure supporting logistics and supply chain management.

Regulatory Environment

- Compliance with EU regulations and adapting to changes in local laws.





Microeconomic Perspective: Altex's Response to Global Disruption in the Logistic Sector

Company Values	Portfolio of Services	Clients	Logistic Tools	IT Tools	Management	Budgeting
Altex prioritizes customer satisfaction, innovation, and operational excellence	Diverse range of products including electronics, appliances, and consumer goods	Broad customer base ranging from individual consumers to corporate clients	Implementing advanced logistics systems for efficient supply chain management	Utilizing cutting-edge IT solutions for inventory management and order processing	Experienced leadership with a focus on strategic planning and risk management	Rigorous budgeting processes ensuring financial stability and resource optimization
A commitment to sustainability and adaptability in response to market dynamics	Emphasis on high-quality customer service, warranty programs, and after-sales support	Building and maintaining strong B2B relationships with suppliers and partners	Real-time tracking, inventory optimization, and streamlined distribution processes	Integration of e-commerce platforms for seamless online transactions	Agile decision-making to navigate challenges and capitalize on opportunities	Allocating resources strategically to enhance logistics resilience

Response to Global Disruption:

- Proactive risk assessment and contingency planning to mitigate logistics disruptions.
- Investing in technology to enhance visibility and flexibility in the supply chain.

Strategic Adaptation:

- Collaboration with logistics partners to diversify transportation routes and modes.
- Continuous assessment and optimization of logistic processes to improve efficiency.

Innovation in Logistics:

- Exploring emerging technologies like blockchain for enhanced traceability.
- Implementing data analytics for predictive maintenance and demand forecasting.

Sustainability Initiatives:

- Integrating sustainable practices in logistics, including eco-friendly packaging.
- Addressing environmental concerns by optimizing transportation routes



★ Efficient Handling of Global Disruption and Integration of Sustainability and Resilience

Diversification of Suppliers

Advanced Data Analytics

Robust IT Infrastructure

Collaboration with Technology Providers

Sustainable Packaging Practices

Renewable Energy Adoption

Continuous Employee Training

Supply Chain Visibility

Circular Economy Initiatives

Strategic Alliances

Scenario Planning

Financial Contingency Planning

★ **By implementing these strategies, Altex can enhance its efficiency in handling global disruptions while concurrently integrating sustainability and resilience into its operations, ensuring long-term success in a rapidly changing business environment.**

SWOT

Altex is a prominent Romanian retail firm specializing in electronics, household appliances, and multimedia products. Established in 1992, the company has grown to become a market leader with a strong presence in the retail sector. Altex operates a network of 125 specialized stores across Romania, offering a diverse range of products to meet the evolving needs of consumers. This analysis aims to provide insights into Altex's internal strengths and weaknesses, as well as external opportunities and threats, to better understand its strategic position in the Romanian retail industry.



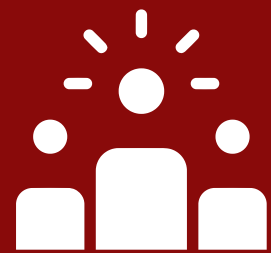
Strengths

- The market leader in electronics, appliances, and multimedia in Romania.
- 22 years of experience in the field.
- Altex offers the smallest price on the market.
- Altex owns a highly developed distribution network, consisting of 125 specialized stores.
- The existence of training programs for employees.



Opportunities

- Expanding the product range and diversifying services.
- Rapid market development.
- Construction of new supermarkets, potential retail centers.
- An increasingly pronounced trend among consumers to renew their electronic products to keep up with technology.



Weaknesses

- Inadequately trained staff.
- Issues in the distribution network.
- Extended time for resolving issues related to after-sales services.



Threats

- Fierce competition from large retail companies.
- Preference for modern technology only among a portion of the market.
- Tightening credit approval conditions, with a direct impact on the practice that has become common among retailers - credit with only an ID card.

Internal analysis



Material resources

Altex has a total of over 125 retail units, including some in the Altex format (smaller-sized stores), others in the Altex Megastore format, and Media Galaxy, which are very large, spacious, well-ventilated, and brightly lit stores (with white lighting and large windows). The total area of these stores exceeds 50,000 square meters. The merchandise in the stores is arranged by categories, and the shelves are separated by wide aisles. Products included in promotions are either placed in designated areas or prominently displayed on the shelves.



Human resources

Currently, Altex has approximately 1,659 employees. For Altex, the human factor has played a significant role not only in the business management aspect but also in communication with customers. Thus, Altex has initiated training programs in communication and sales for teams working in customer-facing roles. Altex's staff is well-prepared in technical advice and purchasing assistance.

Organizational culture and motivational factors are aspects that Altex has endeavored to instill in its personnel, and it has succeeded. The company has also promoted teamwork.



Analysis of Capabilities

Clients

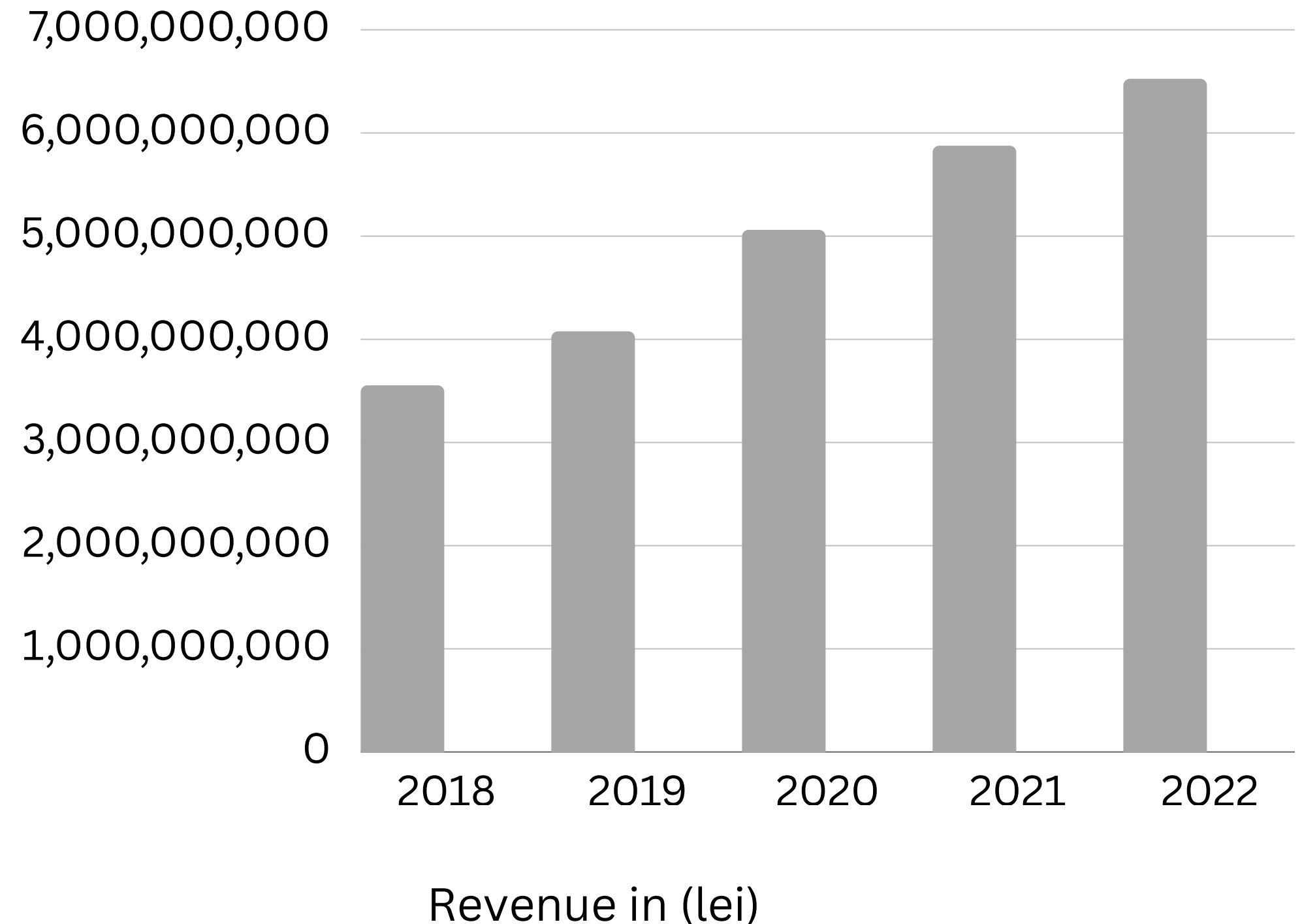
Customers are the ones the company targets and who ensure its presence in the market. The demand for appliances has been on an upward trend in recent years, explained by the possibility of purchasing products in installments. Moreover, consumers have started to perceive the benefits of technological development, and as a result, the timeframe for replacing older products with newer and more efficient ones has decreased significantly in recent times.

Demand is crucial because it supports the conduct of business; therefore, a company must research the evolution of demand and its key coordinates to know how to attract it.

Suppliers

As previously mentioned, Altex collaborates with a significant number of suppliers, being the sole retailer in its sector that includes an extensive range of products from brands such as Philips, Panasonic, Sony, Thomson, Daewoo, Whirlpool, Arctic, Bosch, Siemens, Electrolux, Zanussi, Ariston, Indesit, Rowenta, Tefal, Braun, and more. The importance of the relationship with suppliers is justified by the following arguments:

- A good relationship with suppliers translates into favorable contractual conditions for Altex, timely deliveries, ensuring the availability of goods in stores at any time of day or week.
- Strong and long-term relationships with suppliers guarantee timely product deliveries and the ability to conduct business under favorable conditions.
- The exclusivity clause Altex holds with the companies whose brands it distributes exclusively provides a competitive advantage that cannot be ignored.



Supply chain

1

Sourcing and procurement

Altex engages in strategic sourcing, where it identifies and selects suppliers based on factors such as quality, reliability, cost, and innovation. Establishing clear criteria for supplier selection helps in forming strategic partnerships

Main strategy -> building long-term relationships with key suppliers. These partnerships foster mutual trust and collaboration, providing stability in the supply chain.

2

Distribution and logistics

Even though Altex has its own delivery company and therefore a fleet of delivery trucks, they have contracted different local delivery companies like FAN curier, Urgent Cargus and Nemo Express to deliver their products to their physical stores, client's homes and warehouses.

3

Inventory Management

Altex establishes ordering policies, including order quantities and reorder points. Economic Order Quantity (EOQ) models and Just-In-Time (JIT) ordering are common approaches. EOQ helps optimize order quantities to minimize holding costs, while JIT aims to reduce excess inventory by ordering only what is needed. Also, the products are categorized based on their contribution to revenue, with the ABC analysis classifying items as A, B, or C based on their importance



The efficiency of its supply chain not only dictates Altex's ability to meet market demands but also influences its competitive edge and adaptability to ever-changing market conditions.



Risk Management

1

Suppliers diversification

Altex doesn't have just one supplier for a certain kind of product so that they are not over reliant on a single supplier to satisfy a demand for a single product

2

Performance metrics

Using performance metrics and KPI's to assess contractual performance is a must. These metrics may include on-time delivery, product quality, and responsiveness to changes in demand.

3

Strong partnerships

Building strong collaborative relationships with suppliers fosters open communication. In times of uncertainty, such relationships can facilitate a more coordinated response to challenges, with both parties working together to find solutions.

4

Insurance

Altex may explore insurance options to transfer certain risks, such as those related to transportation or natural disasters. This can provide financial protection in the event of unforeseen circumstances.



Managing risk in a supply chain is a critical aspect of ensuring a company's resilience and continuity. Altex, like any other business, can employ various strategies to mitigate risks in its supply chain.



Regulatory compliance

Altex must stay informed about local, national, and EU regulations that impact its operations:

- product safety standards,
- labeling requirements,
- consumer protection laws,
- environmental regulations
- and any other legal requirements relevant to its business.
- laws such as the General Data Protection Regulation (GDPR)
- safety and quality standards

The process of abiding with laws, rules, and standards pertinent to a specific industry or corporation is known as regulatory compliance. Product safety, consumer protection, environmental laws, data protection, and other factors are all included in regulatory compliance for a retail corporation such as Altex



- Altex is a retail chain primarily based in Romania. It is known for selling a variety of electronic and household appliances, gadgets, and other consumer electronics. Altex operates both physical stores and an online platform, providing customers with a range of products.



1. SWOT ANALYSIS

Strengths:	Weaknesses:	Opportunities:	Threats:
Established brand	Limited international presence	Market expansion	Economic downturn
Diverse product/service portfolio	Dependence on suppliers	E-commerce growth	Intense competition
Strong distribution network	Regulatory challenges	Partnerships and collaborations	Technological disruption
Customer loyalty	Limited online presence	Technological advancements	Supply chain disruptions
Technological capabilities	Aging infrastructure	Changing consumer trends	Regulatory changes



ANALYSIS OF THE MACRO ENVIRONMENT. PESTLE

Political:

The demand for home appliances and electronics is primarily driven by consumer needs, lifestyle trends, and technological advancements. As long as there is stable consumer demand, companies in this market can maintain a certain level of resilience to political uncertainties.

Economic:

In the case of the Altex company, we must mention the influence of the following aspects: the stabilization of the inflation level with influences on the company's price policy, the increase in purchasing power as a result of the liberalization of the credit market, the level of interest on credits, the increase in excise duties on electronic products.

Socio-cultural:

The company has higher demands in terms of products, which determines that in the future it will expand across borders, with the opening of new stores and new jobs, which targets both sexes.

Ecological:

The impact that this market can have on the natural environment is minimal

Legal:

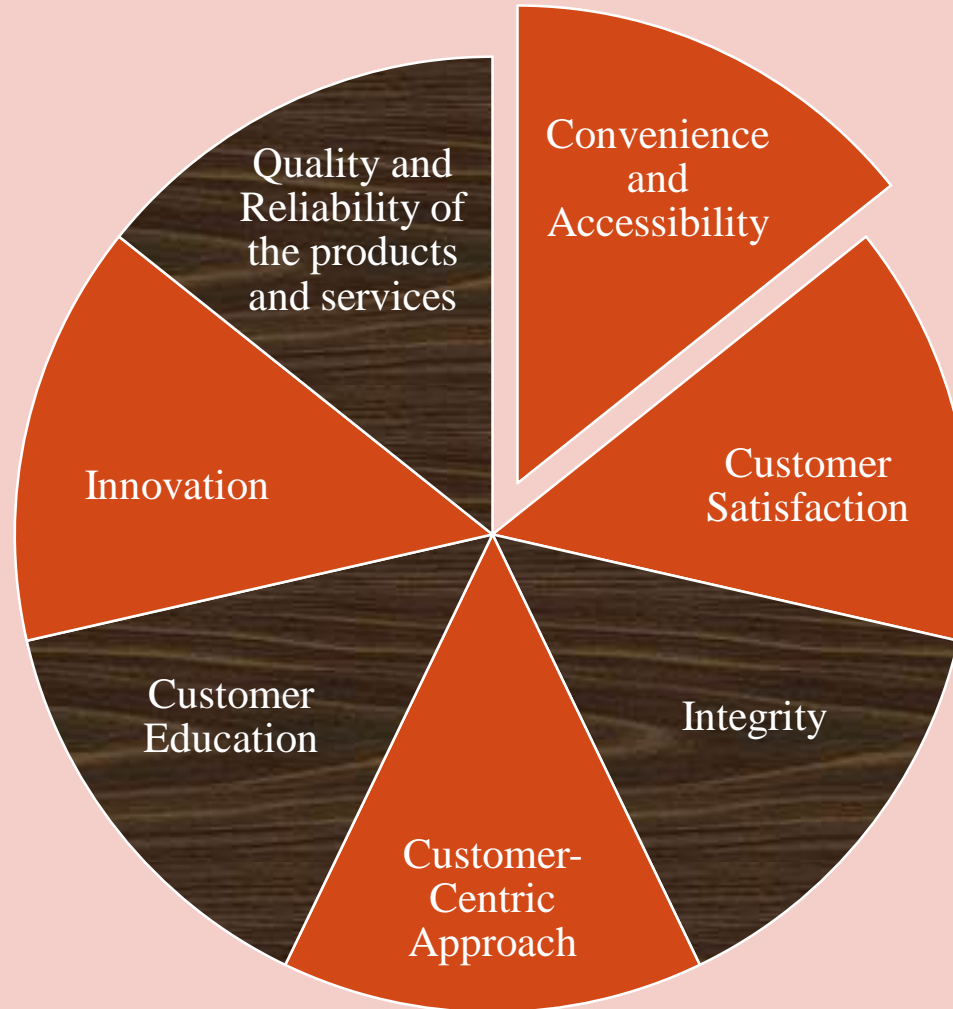
Altex's activity falls under the scope of laws related to: National Bank, National Broadcasting Council

Technological:

The influence of technology can be found not only in the product line, but also in equipping the stores with marking equipment and other material resources necessary for the smooth running of the activity.



2. COMPANY VALUES



PORTFOLIO OF SERVICES

- Financing solutions: The financing solutions that Altex have thought of are extremely flexible and stand out for low interest rates and installments.
- Altex offers "the lowest price in Romania" and supports the promise to return the difference if the customers find it twice as cheap elsewhere.
- Altex helps recycle small electronic equipments and batteries that customers no longer need.
- Tax free is a service through which Altex and Media Galaxy customers can recover the value of the value added tax included in the products purchased from Altex and Media Galaxy stores.



CLIENTS

- Demographic Diversity
- Tech Enthusiasts
- Homeowners and Renters
- Budget-Conscious Consumers
- Gift Shoppers
- Online and Offline Shoppers



LOGISTIC TOOLS

- The logistics tools of a retail chain specializing in electronics and household appliances play a crucial role in ensuring efficient supply chain management, inventory control, and timely delivery of products to customers.
- Inventory management systems
- Supply chain planning tools
- Warehouse Management Systems
- Transportation Management Systems
- Route Optimization Software
- Returns management tools
- Seamless integration between the retail chain's online and offline channels



IT TOOLS

- Altex uses a wide range of IT tools to support their operations and provide an efficient and enjoyable shopping experience for customers. These tools include:
 - Inventory and logistics management systems
 - E-commerce platform
 - Payment and invoicing systems
 - Technical support systems
 - Data analysis systems
 - Cybersecurity systems
 - Process automation systems
 - Customer Relationship Management (CRM) Systems
 - Mobile apps
 - Stock monitoring system



MANAGEMENT

Mission:

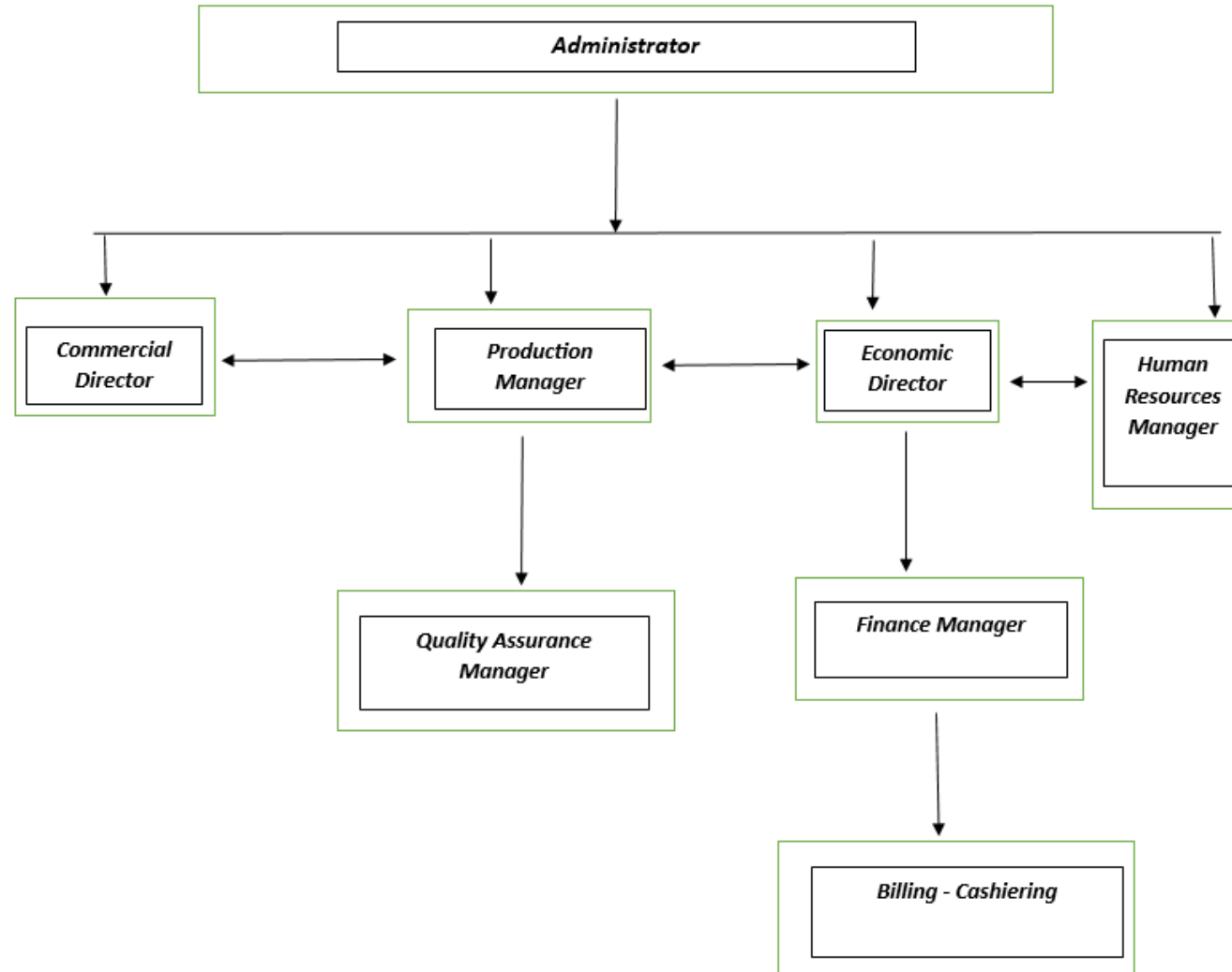
- Contribution to the increase of living standards
- Providing added value
- Accessibility to technological progress

Vision:

- People: To build a desirable workplace where people are inspired to reach their full potential
- Portfolio: To offer consumers a portfolio of products relevant to their needs
- Partners: To build beneficial partnerships with suppliers to create more value for consumers
- Productivity: To be an organisation that cultivates efficiency



- Altex's management involves a team of experienced and dedicated managers who deal with various aspects of the business. These include the general manager, who is responsible for setting the company's strategic direction and making important decisions. Then there are the department managers, who are in charge of managing specific areas such as sales, marketing, human resources, logistics and others.



The administration of the company is carried out by Mr. Dan Ostahie and has the following attributions:

- Coordinates the entire activity of the company;
- Represents the company in relations with third parties;
- He manages the assets of the company within the limits provided by law;
- Employs the staff;
- Decides on any matter concerning the organization and functioning of the company.



STRATEGIES AND BUDGETING

- Competitive pricing strategy;
- Focus on customer satisfaction;
- Promoting innovation;
- Developing partnerships.
- Last year (2022) Altex Romania achieved a turnover of 6.52 billion lei, up 11%. These results reinforce Altex's position as market leader in the electro-IT segment.
- The investment budget allocated for 2023 is more than €17.5 million.
- Altex has also invested in strengthening its online presence, the latest initiative being the Altex marketplace, a project started at the end of 2022, an alternative platform for other retailers who want to sell their products through the altex.ro website.



3. SUSTAINABLE DEVELOPMENT

Sustainable development includes two large branches closely related to each other, which have direct effects both on the sustainable development of economic activities and on the quality of life. The sustainability of a business includes:

- economic
- financial sustainability.

A sustainable development includes the implementation of principles and practices of continuous business development without abusing available resources.

