

STRATEGIC ANALYSIS OF THE PROFITABILITY OF THE ENTITY IN A PUBLIC TRANSPORT OF PERSONS

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Abstract. *Through profitability are achieved economic, social and environmental objectives of any organizations. In order to achieve these objectives it is essential to realize a strategic analysis and to identify factors of influence. The strategic analysis of the profitability constitutes in fact the basis and key to the success of future development of the unit.*

Keywords: transport, analysis, profitability, objectives, Dashboard

Jell classification: M42

1. Introduction

The strategy determines how an economic entity matches its capabilities with market opportunities, to achieve his goals. Strategic analysis of an economic entity constitutes the starting point in assessing the entity related to the identification of factors influence risk and determining the entity's profits. An entity's ability to achieve economic profit is influenced by economic and financial analysis. Economic and financial analysis "of a set of concepts, techniques and tools", activities or phenomena in terms of economic and finance, respectively, in terms of consumption of resources and the results achieved, the most important being taking into account structural and functional relationships of cause and effect [8]. Economic and financial analysis is a complex task given the abundance of structural-functional relationships and complexities of cause-effect relationships that may arise in the economy.

2. Strategic analysis of profitability

The higher the economic activity of the entity is more complex and more diverse, with both managers need more info. Also, the entity is greater, the general manager is located far away from the daily activity, which forces him to seek

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additional information, based on which they can effectively control the activity of his underlings. In formulating the strategy, an entity must better understand the specifics of the sector in which they operate. Analysis of branch of activity of establishment of the transport, emphasizes four overriding forces: the quality of the public transport of persons, means of public transport of passengers, sizing of supply and demand for public transport and bargaining power of suppliers that provide production factors. To make known these four overriding forces, we have the example of Directed Transport in Bucharest (R.A.T.B.), which is the main public transport operator of Bucharest city, operating on the principle of continuity. At the same time, the R.A.T.B. holds the biggest shares from Romania, as the service area and as a regional operator contributes to the metropolitan and improves quality of life of the inhabitants themselves.

2.1. The quality of the public transport of persons

The quality of the transport of persons means the combination of technical and organizational measures which lead to satisfaction in the good condition of the travelers transport requests [10]. A public transportation of persons as well as more affordable and high quality constitutes the backbone of a sustainable urban transport system. Reliability, information, safety and facility access are essential elements for transport services by bus, Metro, tram and trolley bus and transportation services, rail or inland waterway to be attractive. Development strategy of public transport in Bucharest indicates that one way of improving the quality of citizens' transportation, is key to the achievement of the development and attractiveness of financial profitability, it being one of the priority objectives of the entity's strategic analysis. The quality of transport should be understood as a complex and dynamic notion. Quality tackling its complexity is a necessity, because any unilateral treatment leads to unwanted consequences, sometimes very serious in terms of technical and economic.

2.2. Means of transportation of public passenger

Passenger transport within cities, which is the object of the movement of passengers between different points of the city, is carried out through public institutions or private transport organizations, with different types of vehicles. These fall into two main categories: vehicles running on the streets (trams, trolley buses) and means of transport traveling outside street (metro and railways, whose removal is performed on a runway own at a different level than the street).

The strategic review on the operation of transport entity comprises all activities relating to the organization of public passenger transport:

- Improve fleet of vehicles to ensure the safety and comfort of passengers;

- The flow of passengers represents the number of passengers that pass through a particular point of the transmission network in a given period of time;
- The main feature of the organization and conduct of transport lies in its stability, meaning that the carrier offers its services in an organized well defined, resulted in a timetable, means of transport.

2.3. Sizing the supply and demand for public transport of persons

Between supply and demand of transport there is a causal link. The way in which transport operators to balance them depends, on the one hand, the quality of transport services, made available to passengers, and, on the other hand, the effectiveness of transport, carried out by them. Sizing of supply and demand levels of transport involves a workload, high complexity, which ultimately approves a partial or total realization of this booking. For they shall cover the following steps:

- Establish the demand for transport, at the level of the lines and transport networks; The establishment, at the level of transport demand, the number of vehicles and thus capacity;
- Establish the Park and hence of the circulating capacity, made available to passengers, the corresponding supply of transport;
- Analysis of the mode of transport capacity needed.

The general objective of the development strategy of AIST is to cover the demand for transport, present and prospective, and the qualitative conditions with a higher operating budget. These performances are possible only through significant investments, directed projects on modernization of infrastructure and vehicles, supplemented by an adequate legislative and institutional support. Fleet operation (trams, trolleybuses, buses), including commercial exploitation and technical operations:

- commercial exploitation represents the totality of measures to launch and track programming-business park;
- technical operations represent the totality of measures ensuring the proper technical condition and the proper functioning of the vehicle fleet, by performing complete and timely inspection and maintenance, in compliance with prescribed set of engineering plant and the norms in force.

Clear definition of perspectives and essential details of the development process, as well as the development of strategies for the uniform branch and sub branch and the adoption of measures of economy and industrial policy constitutes an appropriate method for the establishment of entities ' own development strategies,

require more rigor in their behavior and causing them to steer more efforts and actions in relation to objectives and options.

2.4. Bargaining power of suppliers that provide production factors

RATB buys from suppliers with whom it has concluded contracts on fuel, electricity, spare parts, maintenance, renting spaces. RATB also uses drivers, engineers, technicians, IT specialists, accountants and qualified workers in other trades. Suppliers of products and services and employees have some bargaining power to demand lower prices and higher salaries. In other words, strong competition and bargaining power of customers and suppliers, exercise significant pressure on fares. Strategic analysis of the passenger transportation service is a cyclic process. Qualitative objectives often describe a vision. In other words, they formulate a standard that aims to be achieved. In order to ensure that the assessment of what has been achieved is transparent, it is necessary to define relevant indicators-quantitative values that make possible the measurement, calculation, or at least the description in concrete terms the extent to which the objectives have been met. Indicators are key figures for specific aspects, of the quality objectives.

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Formulating realistic strategies must bring to the attention of managers the need to consolidate the functional strategies and integrate them into the overall strategy of the establishment. Long-term financial strategies need to focus the balance between internal and external funding. Existing capital allocation with priority setting and timing for investment projects under the growth strategies or reallocation between various sectors or activities of the entity. In turn, financial strategies, optional short term should focus on working capital management, taking account of the factors of influence and indicating its modalities established for receipts and payments, to eliminate and avoid financial deadlocks.

2. Dashboard

By using the dashboard, managers can substantiate their decisions for adoption, ensuring a coherent and complete management of the entity. It is fed with information provided by the financial-accounting information system, and the results presented in it are directly influenced by the fundamental qualitative characteristics of information used. The dashboard translates the mission economic entity into a set of performance indicators that provide the framework for the implementation of the strategy. A dashboard balanced emphasis not only on achieving financial goals, but also highlights the non-financial objectives that must achieve an entity, in order to achieve your goals. Balanced dashboard measures the performance of an entity from four perspectives: the financial perspective, the Customer Perspective, the perspective of the economic process and learning and growth Perspective.

Piloting activity any entities it relates to indicators of facts upon which it can intervene to change the trajectory. The dashboard as a tool of the entity's cockpit, allows managers to provide real-time synthetic vision on the main indicators relating to business organization and the environment in which it operates in order to take decisions within their competence. The dashboard used in piloting activity entity is highlighted by the following:

- presented in a systematic form the most significant information on the operation, influencers and partial or final results of activity of the organization, its sectors or departments, providing the necessary elements for making and control;
- combines the proportions determined by the specific activity, information on the current activity of the statistical information and forecasting;
- highlights deviations from plans and programs, and the development of undesirable phenomena in the organization;
- provides reference element for sketching solutions and remedial measures perspective;
- It has a non-normalized form, determined on the basis of the specific nature of activity perused, and how information needs of its intended driver.

From the perspective of the use of the instrument panel, cockpit as an instrument it is defined as the ensemble of the most significant information regarding the activity of the organization/structure, presented daily management in a form specifically determined and constant, corresponding to some specified information needs. Management accounting is oriented mainly toward providing information to managers and folds on the three key functions of management as follows: planning, organization and control. Management accounting provides data to supplement the information in the financial accounts and they are

addressed solely to managers as internal data beneficiaries having as purpose the provision of the information necessary for decision-making by managers reaching the two purposes, namely: calculating costs, and influencing the behavior of those who could act on costs. Management accounting provides a detailed picture of each task and has the following main objectives [1]:

- "record concerning the collection and distribution of operations expenses by destination, respectively, on the activities of the manufacturing phases, departments, cost centers, profit centers, as appropriate;
- calculation of cost of acquisition, production, processing of incoming goods, works performed, services rendered, running production, inventories, etc., in the course of providing services, commercial, financial and other fields of activity "

To reduce defects and improve efficiency, RATB must obtain real-time data regarding the parameters of the activity. Analysis of the way in which IT is implemented use-oriented support and optimization of performance within the RATB. Within the RATB is deployed and operated in the following computer applications (table no.1) geared towards supporting and streamlining economic processes (financial and accounting) and related activities.

Table 1 IT applications related to Financial Accounting Function within RATB

Financial Accounting Function within RATB		
Major categories of activities	Dedicated IT applications	Degree of utility in organizational plan
General Accounting	SAP FI Module (Financial accounting)	Operational utility
Accounts Payable	SAP FI Module	Operational utility
Financial control management - cost management: - Income and cost Accounting - Cost Centers Accounting - Internal orders Accounting - Profit Centers Accounting - Production costs Accounting - Analysis and reporting in the field of economic-financial	SAP FI Module SAP C Module SAP BW Module (Business Warehouse-Dashboard)	Operational / tactic /strategic utility

As regards the degree of utility of the SAP BW module in streamline financial and economic nature and in assisting management decisions within the RATB, the beneficiaries of these computer applications (staff management level strategic, tactical and operational) can obtain via the dashboard task force a series of

reports, analyses and situations (table no.2) which includes a series of indicators meant to provide support in decision-making.

Table 2 Categories of information offered by the operative dashboard SAP BW

Categories of information of SAP BW Module obtained by processing information in the SAP FI and SAP AA Modules		
Category of activity	Report Name	Operational/ tactic/strategically utility.
Analysis Of Assets And Liabilities	Patrimony Summary	Calculation of performance indicators for financial and accounting useful in economic analysis conducted at the end of a quarter or fiscal year. Indicators of the chosen period of a fiscal year are presented in comparison with the corresponding preceding fiscal years (Two years earlier).
Receivables analysis	Year quarterly statement receivables... RATB.	Determining the volume of total receivables at the end of a fiscal year RATB and presenting the evolution claims at intervals equal to a quarter. For a more detailed analysis can follow and share of each type of debt in total for each quarter separately. Structure claims is the financial statement date version of SAP ERP system appropriate for urban transport.
	Monthly receivables situation	Determining the volume of total receivables RATB a certain month of the year. For a more detailed analysis can follow and share of each type of debt in total.
Analysis of debts	Quarterly debt situation	determining the amount of total debt at the end of a fiscal year RATB and presentation debt developments at intervals equal to a quarter. For a more detailed analysis can follow and share of each type of debt in total for each quarter separately. Debt structure is given the appropriate financial statement version of SAP ERP system for RATB.
	Monthly debt situation	Determining the amount of total debt RATB one month of the fiscal year. For a more detailed analysis can follow and share of each type of debt in total for each month. Debt structure is given the appropriate financial statement version of the system R / 3 for urban transport.
Analysis of fixed assets	Analysis of fixed categories: Breakdown units	Determining the degree of wear of fixed assets supplied at the end of a fiscal period. The analysis is performed on fields and classes of assets, signalled in values that exceed certain thresholds (70%, 80%, 90%).
	The situation subunits vehicles, types, brands and degree of wear	Determining the number of vehicles in each operating unit at a time and degree of wear related. The analysis is performed on fields and brands of vehicles.
Categories of information in SAP BW way of processing information obtained through SAP CO Module		
Activity category	Report Name	Utility operational/tactical/strategic

Revenue Analysis	Total revenue situation RATB	Determination recorded revenues of RATB a time, broken down by fiscal periods and weighting in total revenue income each period. The report enables a more detailed analysis by detailing the cost elements involved.
Analysis of costs and expenses	Cost structure of functional CO Services	Presents the statement of expenditure in one period on a cost centre.
	The statement of expenditure for maintenance-ETA	Presents the statement of expenditure on maintenance and operation for ETA.
	The statement of expenditure for maintenance-ETE	Presents the statement of expenditure on maintenance and operation for ETE.
	Comparative cost statement on fiscal years	Presents the statement of expenditure recorded within the RATB, profit centres, and over a period of 3 years the year chosen by the user and 2 years ago. Within each profit centres expenses are shown on the expense accounts. The report shows the weighting of each element of cost in total. As required by RATB, no account shall be taken of cost apportionments assortment.
	Cost per km /line/unit	Presents monthly expenditures on each line. Expenditures are listed by cost centres, grouped in hierarchy RATB Lines.
	Total cost per km /mark / unit	Presents effective costs recorded monthly per cost centres associated vehicles grouped in the hierarchy RATB_MARKS. Whereas it is not considered significant, cost element "Washes" was excluded from the cost items recorded on cost centres. Based on the results recorded (actual costs and actual km/equivalents) report presents a comparative situation on marks and broken down vehicles per kilometre costs. The report can run on one or more months.
	Total costs	Presents the statement of expenditure recorded within the RATB, profit centres and over a period of time chosen by the user-interval in calendar months. Within each profit centre expenses are shown on the expense accounts. The report shows the weighting of each element of cost in total. As required by RATB, no account shall be taken of cost apportionments assortment.
	Choice of transportation cost per year/period..	Presents monthly expenses recorded on each type of transport in 2-year comparative situation (selected year and the previous year). For each month is calculated as percentage change in relation to the situation registered in the corresponding month the previous year. Expenditures are presented on profit centres grouped in Total public transport hierarchy (RATBTRCOMUN), broken down into each account. Indicators features that appear in the report: the actual costs and variation costs.
Analysis of	Choice of	Collects subsidies, costs, revenues, km performed and

the subsidy income/cost	transportation: subsidies/ cost/income/km/trip	number of passengers on the types of transport (buses, trams, and trolley buses) recorded monthly. The report calculated a number of indicators: - cost /km of transportation (Auto Cost, Tram Cost, Trolley buses Cost); - income / km of transportation (Auto Cost, Tram Cost, trolley buses Cost); - income/trip (Auto, Trams, Trolley buses); - cost /trip globally and at the level of cat Choice of transportation (Auto, Trams, Trolley buses).
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Analyzing the information content and nature of indicators, one can appreciate the operatives that use these indicators contribute to support activities related to the process of reasoning and decision-making at the level of the middle management (tactical) and upper (strategic). Dashboard is a system of indicators in absolute and relative sizes and is used in the assessment, monitoring and improvement of decisions so top management and line management, allowing immediate goal setting and achievements to validate predictions.

Conclusion

Getting competitive advantages at the expense of information factor will decisively depend on the ability of enterprises to built their own databases and to manage smart fund information, using them effectively in the process of formulation and implementation of the strategy, as well as infrastructure development in this area. Knowledge of the characteristics and developments in the structure of the mutation of the environment is a fundamental condition for meeting a certain categories of needs by the entity, for which he is still growing needs and diversification, which should provide the basis for drafting realistic strategies, well grounded. Strategic analysis on the effect of implementation of projects and measures in the public transport of persons is the achievement of optimum differential prioritization of project implementation and dedicated measures to optimise the transport system. Also, identification of optimal measures in case of incidents or events that affect urban transport system and metropolitan and increasing exchange of information between users of the transport system and its branch of activity constitutes analysis. In order to achieve the process of driving, the Manager of the Organization must be provided with instruments as facile with a view to the adoption of decisions on the short, medium or long. A substantial part of these tools is the calculation of the cost and quality of which directly influence the amount of decisions. For justification of decisions may be used as an instrument of management dashboard, but using it is not comprehensive so that, in this regard I propose its use for measuring the effectiveness of the entity's management team. As any entity sought to profit, so general manager pursues profitability and strengthening through the levers of

management. It is known that profitability is the net result achieved as a result of the decisions and tactical movements of managers. Mainly, the actions undertaken relate to: discovering profitable activities/unprofitable business, performance improvement and to define new strategies for profitable growth. The dashboard is a tool meant to compile the necessary information management. With it, carry out a constant and intense outreach to decision makers on how the evolving phenomena of the activities conducted. The dashboard is a system of indicators, in the absolute and relative sizes used for evaluation, control and regulates the activity of entities in the stock of passenger transport. He selects, organizes, consolidates and provides information expression elements necessary main synoptic a ruler to ensure operational basis, object movement led in accordance with trajectory drawn through the work programme.

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