



3rd International Conference on New Challenges in Management and Organization: Organization and Leadership, 2 May 2016, Dubai, UAE

Conditions of Productivity Processes in a Company of Food Industry in Bulgaria

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Abstract

The study is structured on two elements including the own opinion of the author and a comparative analysis of the financial performance of selected companies from Bulgaria in the food industry. The Bulgarian enterprises could distinguish the strategies that enable them to find new clients, foreign investment from outside, organize an successful organizational structure of production management, quality product management and expand their competitiveness. The activities of companies in the food industry are observed and examined; to this end, the analysis is carried out concerning the logistics activities to exhibit the instructions for development of activities in the overall production process and product. The aim of the study is research, analysis and recommendations for improving the management level of the production process and quality in the enterprise. Objectives of the study are related to the gathering of information, study peculiarities of production, and removal of existing problems. Bulgarian enterprises should organize and attempt to develop the product range by computing the individual profitability of individual types of products and increase profitability.

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Peer-review under responsibility of the Ardabil Industrial Management Institute

Keywords: management, production, product, process, strategy, quality

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1. Introduction

The current study inspected and examined the activity of companies from Bulgaria in the food industry. Following this, there has been made an analysis of logistics activities to get instructions for enhancing and upgrading activities in the overall production process.

The objective of this study is to analyze the situation of the enterprises and to propose recommendations for improving the level of management. There are made analysis of stocks, transport and logistics solutions in the supply, production and distribution, service levels and logistics costs of selected companies from the food industry.

2. Industry Analysis

Food industry produces products essential for human - flour, meat, sugar, butter, conserves and more. There are changes in the production structure and the forms of its organization in recent years. The three sectors with the greatest importance in the economy of the food industry are production and meat processing; production of bread and other food products, they are evaluated based on the following criteria: management of human resources (number of employees), value of output the value of fixed assets and investments.

Food industry is highly developed industry with a significant place in the economy and exports of the country. In the period 2010 - 2015 food industry is developing at a higher rate than other industries. In 2015, the food industry has produced production (at current prices) worth 9.9 billion lv. Its share in total industrial output of the country compared to 2010 increased significantly - from 14.6% to 16.3%. (Data from National Statistical Institute of 15th December 2015).

3. Major Strategic Objectives in the Development of Companies in the Food Industry

The purpose of strategic development is to achieve higher growth in food and beverages. One of the strategic objectives of the food industry in Bulgaria is to have new markets, while maintaining its traditional customers and products.

In the study of Todorov K. "Strategic Management in Small and Medium Enterprises" (2001) the decisions on improving production processes and increasing the efficiency of production must be taken in conditions of uncertainty and volatility of the environment. This improvement of production activity can improve the various possibilities of development; choose the preferred choices; and reply logically for its execution including in times of uncertainty and unexpectedness.

Guidelines for improvement should not be hard and rigid, they must be flexible to adapt and adjust to changing conditions.

In the European project "Transformation and privatization of state and municipal enterprises" (1999) it was given that consumption of foods and beverages on the national market is highly dependent on the income of the population, the efforts of managers and owners should be targeted at reducing the cost of production. This implies the development of programs to consolidate production, but parallel development of programs of activities involved in the manufacture of food and beverages.

To increase the productivity and efficiency of food supplies in the country are important following indicators:

- more aggressive penetration of foreign markets;
- increasing the export of food and beverages;
- increasing the turnover of assets;
- increasing the level of liquidity.

Given the current economic conditions of production of food, there is a need to restructure the industrial facilities in the country. Most owners have to invest in new equipment and technology. They must implement a policy of selling off unnecessary equipment and reinvestment of realized net profits.

4. Opportunities for Improvement of Employees' Qualification

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