PHD THESIS

CONTRIBUTIONS REGARDING THE IMPROVEMENT OF ENTERPRISES’ MANAGEMENT FROM CLOTHING INDUSTRY

- SUMMARY -

Scientific adviser: PROF. UNIV. DR. NAGHI MIHAI
PhD Student: BOTA MARIUS

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II. Key Words

Clothing industry, enterprise, management, lohn system, production process, production system, modern manufacturing systems, clothing product, product life cycle, demand, supply, efficiency, management improvement.

III. Synthesis

The theme of this thesis is the improvement of clothing enterprises management. To emphasize the importance of this issue we suggest reading the following fragments.

Today, more than ever, the business environment is continually changing. Competition intensifies in almost every industry, so companies must develop innovative products and business processes to survive. The Romanian clothing market is a crowded one with a lot of powerful competitors, especially Asian firms with their cheap products. Companies are today aware that they must offer the right product, in the right place, at the right price and at the right moment of time in order to be competitive.

The starting point of our investigation was the situation of the Romanian companies involved in the clothing sector after the total liberalization of the world trade with textiles and clothing. The textile and clothing industry is one of the oldest in the world. The oldest known textiles, which date back to about 5000 B.C., are scraps of linen cloth found in Egyptian caves. The industry was primarily a family and domestic one until the early part of the 1500s when the first factory system was established. It wasn’t until the Industrial Revolution in England, in the 18th century, that power machines for spinning and weaving were invented. The clothing industry is a very global industry, with constantly increasing trade flows all over the world. The Romanian clothing industry has
a long tradition and experience from the 19th century, as well as a good fame around the world as its products are present in many countries of the world. This was possible due to an initial supply with modern machines and equipment most of which were imported. If, at the beginning, the technical equipment was the same as the one used abroad, during 1981-1990 there was a dramatic drop in the technology imports. On an international level, during the same period, the mechanical textile machines became completely automatic. Only after 1990 was there a progress in the modernization of the Romanian clothing factories. This effort, though considerable, is far from ensuring a satisfactory system of technical equipment in the Romanian factories.

To determine the role of the clothing industry in national economy is enough to look at the following aspects:

- Production of clothes represent 2.6% of the total production achieved in the country;
- Clothes export represent approximately 10% of Romanian exports;
- The 215,000 employees of companies working in the clothing industry is a significant proportion of approximately 13% of employees in Romanian industry;
- Before joining the European Union, Romania has an honorable position among major global suppliers of clothing. Exporting garments worth 4.63 billion dollars, Romania ranks 11 accounting for 1.7% of world clothing market.

After 1990 major changes took place regarding the regional situation changes dramatically affecting the clothing industry in Romania:

- Domestic consumption decreased due to lower purchasing power, while traditional exports to countries and they fell through the CMEA collapse;
- Clothing products are among the products that are manufactured on a large scale in Romania in lohn system. In EU the lohn system is known as "outward processing trade - OPT", ie passive processing operations, while U.S. production outsourcing "production share" means the sea around the same system;
According to people in the area, between 2005-2007 over 80% of firms involved in the clothing industry worked exclusively in lohn system;

Romania became an EU member on January 1, 2007, and EU trade policy and became part of Romania trade policy;

Starting January 1, 2005, after the WTO agreement on textiles and clothing expired, the Community market has seen a major influx of imports of products originating from China;

You can easily see the general trend of lohn migration from the West's to Eastern Europe as countries joined the European Union;

For those companies who will survive is not entirely lost. Having modernized factories, know-how acquired from renowned companies operating in the clothing market for a long time, as well as skilled and educated workforce will have to start a modern business that can compete with firms Community market;

Experts in the field agree that the solution would be for firms to begin producing clothing under own brand.

**Research assumptions** that led to the development of this paper are:

1. The loss of domestic and international market for imports of clothes from Asian countries following the liberalization of international trade in textiles and clothing;
2. The general trend of lohn migration from the West to Eastern Europe as countries joined the European Union;
3. Following the lohn system migration toward destinations with cheaper labor, many of the Romanian clothing enterprises, especially micro and small enterprises will not recover and will cease operation;
4. Romanian clothing enterprises must improve their management to increase their competitiveness against competitors on domestic and international market;
Improving enterprises management can be addressed by three directions: improvement of production management, processing and assimilation process of new products and improving marketing of products;

6. Improving clothing products commercialization must take into account the characteristics of supply and demand on the market;

7. Limited resources level stimulates the growth of the role of efficiency criteria in management decisions at the enterprise level.

**Research methodology** included research techniques and tools such as analysis, comparison, SWOT analysis, case study and investigation methods of the market. To exemplify the importance of satisfying consumer needs and wants with products developed and offered for sale to using case studies. As the market investigation methods was used in all three types of research:

1. Exploratory;
2. Descriptive;
3. Causal.

To identify the current state of basic research has found a bibliography of over one hundred and thirty books and articles published at home and abroad in areas such as management, marketing, business administration, information technology, etc. Studied the titles it could be found that improve business management is a subject much discussed in the literature of the country and abroad. However, the theme of improving management in enterprises from the clothing industry has been less studied at scientific level, being more under discussion by practitioners working in this field.

The main objective of the thesis is to identify ways and opportunities to improve the management of enterprises producing clothing aiming to end their efficiency.

As secondary objectives, the most important are:

- Identifying features for clothing industry in Romania;
- Study of future developments of the industry nationally and globally;
- Identifying the characteristics of clothing enterprises;
- Study possibilities for implementing modern manufacturing systems in Romanian enterprises from clothing industry;
- Study the Romanian clothing market in terms of supply and demand;
- Identify the main criteria for Romanian clothing market segmentation;
- Identify opportunities for improvement of production management in the clothing industry enterprises;
- Identifying key opportunities to streamline the creation and trading clothes.

**Thesis structure**

This paper was divided into seven chapters. In the first chapter of this thesis entitled, “clothing industry - part of the national economy” appeared content and development of clothing industry, while making an analysis of field clothing worldwide, European, and the Romanian economy. For a better understanding of this paper was considered that should be established from the outset, the place and role within the clothing industry of national economy. It was considered the place and role in the clothing industry lohn system in Romania, and advantages and disadvantages of producing clothing companies that have adopted this system. In the last part of the chapter was done a SWOT analysis of the clothing industry in Romania, in which were presented the main weaknesses and strengths of the industry.

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tr>
<td>Long tradition and reputation of the Romanian clothing products;</td>
<td>Lack of own brands;</td>
</tr>
<tr>
<td>Competitive products in terms of quality-price ratio;</td>
<td>Low notoriety of Romanian clothing brands;</td>
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<tr>
<td>Cheap labor compared to Western Europe;</td>
<td>Lack of product differentiation;</td>
</tr>
<tr>
<td>Romania location near Western Europe;</td>
<td>Lack of departaments in companies (Research and Developing, Marketing, etc.);</td>
</tr>
<tr>
<td>Know-how obtained lohn collaboration;</td>
<td>Lack of domestic row materials;</td>
</tr>
<tr>
<td>Education and specialization of labor from</td>
<td>Lack of enough European market;</td>
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</tbody>
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9
the lohn system;
Requires relatively low cost of modernization;
High flexibility and adaptability to changes in their environment;
Reduced cost of job creation.

<table>
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<tr>
<th>THREATS</th>
<th>OPPORTUNITIES</th>
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<td>Disappearance of lohn contracts; Increasing labor costs and utilities costs; Increasing competition from Asian companies; Fake products; Decline in consumption due to global financial and economic crisis; Near the saturation of markets in Western Europe.</td>
<td>Transition from a market of 23 million to a 450 million market, the first in world imports of clothing; Access to markets with preferential agreements with European Union; Access to European funds; Attracting foreign investment as a result of EU membership; Possible revitalization of primary textile industry; Relocation of production towards destinations with lower production costs.</td>
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We consider very important making this SWOT analysis of the Romanian clothing industry in order to establish the current situation and identify threats and opportunities of this industry in the near future. It is important to identify threats in time to find alternative solutions to overcome difficult moments. Realizing certain opportunities emerging in context of EU integration can lead to a renewed clothing industry in Romania.

Following a logical line of this thesis was considered necessary to address the clothing enterprise as a management object. Thus was born the second chapter of the paper entitled “Clothing enterprise – a management object”. This chapter introduced the concept of industrial enterprise, its characteristics and the environment in which any
industrial unit operates. Systemic approach to enterprise and its functions are presented. The last part of this chapter has been reserved for discussion on SMEs in the Romanian industry, and clothing industry default. Economic and social transformations that occurred in Romania in recent years led to a rapid development of the SME sector. After analyzing the clothing enterprise as a management object have the following conclusions:

- The enterprise is a fundamental component of the economy in which it organizes and production activities aimed at obtaining goods and services are placed on the market for sale and gain;
- The performances of the enterprise are in close correlation with its ability to understand the economic and social demands which they operate. Environmental factors are of great importance for any enterprises;
- The traditional role of production functions - to achieve a volume of products in shortest possible time and at minimal cost – must be constantly improved. Production function must integrate the company's overall strategy; there must be close cooperation between all functions of a company's in order to realize the strategic objectives for the unit;
- The specific objectives of a unit functions must combine perfectly with the overall objectives of the company. Only in this sense one can speak of market competitiveness;
- Regarding the organizational structure of enterprises it can be said that companies producing clothing have a product structure as polling organization or production workshops with the principle object manufacturing (product or group of products produced);
- The overwhelming majority (95%) of the enterprises involving in clothing industry are represented by SMEs.

The third chapter of this thesis entitled "Production management in clothing enterprises" comes to the logical complement to our approach. Thus, after a thorough analysis of the clothing industry and clothing enterprises presentation as an object of management is a pertinent analysis of production management of these enterprises. It began with the definition and classification of production processes and identifying the
main activities taking place in the basic processes and ancillary service. Defining production processes, types of industrial production is very important in making the understanding and implementation of modern manufacturing systems. Following the analysis of production management of companies producing clothing have emerged following aspects:

- Production is a social activity in which man is helping the means of production, elements of nature in order to obtain material goods or services;
- Production system consists of a set of elements which interact in order to ensure processing raw materials into finished products;
- The clothing enterprises used mainly the following systems for production organization:
  - Prodsincron system;
  - Sectional conveyor system - type Ohnell.
- Modern manufacturing systems have emerged somewhat as an alternative to mass production that characterized and still characterize many industrial units. These systems have proved their superiority over traditional production over time;
- After analyzing various modern manufacturing systems, we found that only the following are suitable to be applied given the clothing enterprises producing processes in these companies:
  - ERP-MRP systems;
  - Computerized systems (CAD, CAM, CIM);
  - Flexible Manufacturing Systems (SFF);
  - JIT systems.
- Design and implement modern manufacturing systems for clothing enterprises requires some work and going through stages:
  1. Analysis of need and / or opportunity to implement of modern manufacturing systems;
  2. Gathering and processing information about modern manufacturing systems;
3. Variant setting and organization of production;
4. Providing technical, organizational and material conditions necessary to carry out production by:
   a. Composition the list containing machinery and new plants (cutting, surfilat, sewing, knitting, ironing, etc..) to be installed for production;
   b. Achieving spatial plan jobs;
   c. Purchase and installation of all equipment (including computer systems) and technological facilities needed for the production of clothes;
   d. Fitting jobs in technological equipment and design documentation necessary for the manufacture of clothes;
   e. Creating internal transport system by setting optimal routes and purchase equipment needed for the transport of objects of work;
   f. Employees adapt to new production management systems;
   g. Qualified employees to meet the specific requirements of each job according to the system adopted;
   h. Creating raw materials supply system (clothing, knitted) and materials needed for the clothing.

The fourth chapter of the thesis is entitled "Management of clothing products". This chapter comes to clarify the clothing concept from its creation to its commercialization. The next step after the classification of clothing products was the clarification of the mix of products term, by presenting its six levels. For a better understanding of the concept was made an example of the six levels of hierarchy of clothing products in view of the field. The need to dress has led to the product family called "clothing".
Next topic on which we leaned is the process of developing new products. This is a very important activity for clothing enterprises.

After analysis of clothing products management have emerged following conclusions:

- The product is the main tool to meet the demand, representing a set of physical elements, aesthetic, emotional and psychological that the customer purchase to satisfy a need or desire;

- The clothing is broadly defined as a complex objects to be worn on the body (underwear, blouses, jackets, hats, gloves, socks, etc.). In the narrow sense clothing can mean all products made by clothing industry. Primaly the clothes are designed to protect the body from the existing factors in the external environment. Over time, clothes have been gained a new function, namely to beautify, decorate, adorn the body of the wearer and to distinguish them from their peers;

- Following the analysis of clothing products in light of life cycle we can assert that there are three categories of products:
  1. Basic clothing products such as shirts, socks, underwear, etc., which are sold for a long time (can be up to several years), without undergoing major design changes during this period;
  2. Fashion products. Fashion can be defined as a style which is accepted and popular at a time. The length of the life cycle of fashion is difficult to anticipate because it depends by customers' behavior;
3. *Fad* products are those clothes which have an appearance on the market and a very rapid acceptance and are quickly adopted by some consumers. Generally addresses those innovators among consumers, mostly young, but not only, always seeking something new.

Regarding fashion products it can be seen that the life cycle is much shorter. In most cases these products do not stand more than one market season, ie three to six months.

The garments include more elements of fashion and color or 'fashionable', the less life-cycle length. The “fad” products have the shortest market presence. In general, the life cycle of these types of clothes is no longer than ten weeks.

In clothing industry the process of obtaining new clothing products is very important because of the high-frequency launch of new clothing collections.

The particularities of the creation of new clothing products are:

- The process of creating collections of clothing starts with *generating new ideas* that may arise from diverse sources. The main points of idea generation are: current fashion trends and consumer needs and desires;
The company begins by gathering the necessary information from market, study sales reports, etc. One gather such data about textile, color, etc. which will be used for the following collection. Company designers are documented on fashion trends for the next period, in terms of line, color, color range, etc., by consulting the specialized documentation like: fashion magazines, books, monographs, and they participate at special events: exhibitions, fairs, conferences, fashion shows, international and domestic exchanges on clothing creation;

All such ideas must be gathered to go through a selection process, to eliminate those unsuitable. One make an analysis of the idea, which market segments are addressed, the duration of construction and approximate cost. Making drawings of the prototype and concept analysis corresponds to the completion and testing business, the main phases of the business analysis phase. Once the documentation is completed, the department creates the drawings of the products in different colors. Of the many drawings they will choose only the most promising. After evaluation, from the remaining drawings prototypes will be made. For each product the propose a different range of colors;

Developing prototypes is an important step, because they made a few samples of products or costumes, in order to determine the most appropriate technology and design alternatives. Each prototype will be considered also after the success it has in terms of satisfying the functional, expressive and aesthetic requests. Industrial development is the final prototype of the design process, and requires translation into reality of large-scale products;

The research and development department gives the prototypes created and approved to the technical department where the model design is technically accomplished: the templates need for the launch of production of new models is made. For the new collection they search for textile, auxiliary materials which the enterprise need for the products. Depending on the quality-price ratio which should be optimal, they will choose their supplier. After developing the technological process of producing clothing the “zero” series is realized. The new model is introduced in the manufacturing conditions, a
small number of pieces will be made, so all deficiencies in design, cutting, manufacturing are carefully identified and corrected;

- Many of the clothing products are tested in fairs and exhibitions. This test method is used because the exhibitions and fairs attract a large number of buyers who can view a large number of products over several days. Company personnel who attend these events has the opportunity to observe and record consumer attitudes on the firm's product compared with competing products presented at these events;

- Another market test would be the launch only in certain stores and regions. In this way the Romanian companies that own stores in some cities can test new products in their stores. If this test is successful, the collection can be launched throughout the market;

- The launch of the products on the market takes place twice a year, taking into account the two seasons for which they are released: spring-summer and autumn-winter. Launching products on the market is communicated through the press, mostly through specific magazines.

In the fifth chapter of the thesis entitled "Clothing commercialization management" we studied the clothing trade issues. In the first part of the chapter was examined clothing market in Romania. We can define the market as the total number of customers buying clothes or we could refer to the market as a place to meet that demand and supply of clothing. The starting point for the production of clothing is the needs and desires of consumers, and the latest trends emerging in countries dictate fashion line worldwide (including Italy, France). Improving commercialization of clothing products must take into account the characteristics of supply and demand on the market.

We conducted two studies in order to identify the characteristics of the demand and supply on clothes. We obtain primary and secondary data through:

- two personal (face to face) interviews based on short questionnaires – one for the demand and the other for the supply –; the information we got was neither sensitive, nor threatening; we used clear, unambiguous, structured and unstructured questions; for the clothing supply we got responses from
a representative group of 150 stores; for the clothing demand we used for identifying the representative sample STATGRAPHICS soft; for a standard error of ±0.03 the sample was 1068 Romanian people;

- statistical data and published studies;

The main goal of the first conducted study was to identify the attitude of the Romanian people regarding the acquisition of clothes. The questionnaire is structured in two parts: the first one contains eight questions which give us basic information like:

- The main reason of buying clothes;
- The place where these clothes are bought;
- The appreciation of the importance of some aspects which determine the acquisition;
- The fashion genre preferred by the Romanians;
- The appreciation of the quality of the products made in: Romania, China, Turkey, U.S.A. and E.U.;
- The suggestions of the Romanian customers regarding the improvement of the clothes made in Romania;
- The average monthly amount spent on clothes;
- The opinion of the Romanians regarding the recognition of Romanian brands at national level.

The second part of the questionnaire includes questions used for the classification of the respondents:

- The age of the respondents;
- The sex;
- Their education;
- Their occupation;
- Their monthly average income;

The main goal of the second conducted study was to identify the characteristics of the supply on clothes. The questionnaire is structured in two parts: the first one contains questions which give us basic information:

- The clothing style for sale in Romanian stores;
• The targeted market segment for stores;
• The criteria on which the supply is established;
• The brands for sell in the store;
• The made in country for the clothing offered for sell;
• The appreciation of the clothes made in Romania;
• The income of the target market segment;
• Methods for pricing the products.

The second part of the questionnaire includes questions for the classification of the respondents – in this case the stores:

- The type of the store: representing a Romanian producer or a foreign company;
- Monthly turnover of the store;
- Size of the store;
- The location of the store.

Analyzing the respondents’ answers we could create the Romanian clothing customer’s profile:

- Due to the fact that the clothes are strictly necessary products all the people regularly become a customer. The percentages of the women and men buying clothes are almost equal. The customers form urban areas spent more on clothes that the people from rural areas;
- The majority of the Romanian customers of clothes has a high-school degree;
- The biggest segment of the population (40%) earn between 400 and 1000 RON per month;
- For 57% of the Romanian costumers the need represent the main reason for buying clothes;
- Almost 70% of the costumers prefer specialized stores for buying clothes;
- Only a very small percentage (4%) of the Romanian customers are using the Internet or the catalogs as an alternative for buying clothes;
- It can be notice that the material from which are made the clothes represent the most important criteria in buying decision for the Romanian customers;
• The product design and price represent the second most important criteria in the decision of buying clothes;
• The Romanians are preferring the classical, casual and sport clothes;
• The clothes made in the U.S.A. and European Union have an image of best quality products;
• The Romanians consider the staff made in China and Turkey having the lowest quality comparing to the medium quality clothes made in Romania;
• Most of the Romanians (36%) spend monthly between 50-100 RON for clothes;
• The majority of the Romanian costumers spend 53.11 RON per month for buying clothes;
• Half of the Romanian customers spend on clothes less than 70.93 RON, and the others 50% spend over this value;
• The opinion of the customers is that the notoriety of the Romanian brands is at a very low level;
• The most important suggestions made by customers to improve the clothes produced in Romania are:
  • To improve the design;
  • To have more models;
  • To find all the measures;
  • To adapt the products to the current fashion tendencies;
  • To improve the quality of the row materials;
  • To improve the quality of the execution.

The Romanian companies could adapt their product offer, taking into account the costumers specific needs and wishes.

Analyzing the respondents’ answers we could create an image of the supply on clothes from the Romanian market:
• In most of the stores there are casual clothes for sell;
• The elegant style is the second most sold type of clothes;
• The clothes for women are present in almost all the stores, followed by the clothes for men and children;
- The most important aspect used to establish the supply is the clothes’ brand;
- 68% of the stores are sealing their own brand/brands;
- In most of the stores are sold clothes made in UE; (excepting Romania), or made in Romanian factories;
- 62% of the respondents consider that the clients have a good or a very good opinion regarding the clothes made in Romania;
- 46% from the stores consider that they are the target for people with big income;
- The price doesn’t anymore differentiate the company from the competition;
- The frequently used method by the stores to establish the prices for their products, is taking into account the costs, 45% of the stores used it;
- We found out that one third (33%) of the stores belong to a Romanian manufacturer and the other two third (66%) represent a foreign brand;
- The most of the companies (39%) have a monthly turnover under 100.000 RON;
- A percentage of 17% of the stores declare that they have a monthly turnover over 300.000 RON;
- The most of the stores (35%) have areas over 90 m²;
- A small percentage of the stores have an area smaller than 30 m²;
- The actual tendency regarding the emplacement of the stores is that the stores are placed in a mall or in a shopping center.

The theme considered in the sixth chapter was: management improving of clothing industry enterprises. We studied the improvement of business management in terms of three directions:

- Improving production management;
- Improving the creation and assimilation of new products;
- Improvement products commercialization process.
1. Regarding the *improvement of production management*, there are three main aspects considered, namely:

- The improvement of the organization and planning of the production process;
- The improvement of the work process;
- The improvement of quality control activity.

For the best production process, initially, actions should be taken concerning the improvement of production organization and planning process. Organization of production process is a continuous complex and dynamic process, which means that the leadership of economic units should adapt a series of measures and use methods and techniques drawn on studies and technical-economic calculations, which take into account new science discoveries and within a framework ensuring optimal functional use by busy staff input, in such quantity and quality production to ensure their maximum use and increase labor productivity on this basis.

Technological development and increased market competition requires continuous improvement of knowledge and skills of employees, not just to have a secure job, but also to increase competitiveness and economic development of society. The continuous staff training and improvement from clothing enterprises may have a major influence on business efficiency and competitiveness of its products on the market.

In improving management in an industrial production, a very important aspect is the quality control process of enterprise products. Quality can be an influencing factor for the economic and financial results of the enterprise. Very important is the quality of raw and auxiliaries’ materials used and the quality of technological operations performed over the technological flow. Organizing quality control is the basic requirement to increase production and product quality. Improvement of control leads to ensure a quality level of products such that the consumer requirements are satisfied at maximum.

2. *Improving the creation and assimilation of clothing process* from two points of view, namely:

1. Improving the organization of new product creation process;
2. Improving the creation of a range of products which can be differentiated from the competitors products.
In order to improve the organization of new product creation process one should take into account factors that may help achieve successful products and it should be avoided while possible the causes of failure of new products to market. Improving the organization of new product creation process can be achieved only if it is considered the best way to conduct each step up the process. One should establish clear procedures to be followed in conducting each phase, and a person responsible for ensuring compliance procedures.

Regarding the development of creating a differentiated product range, items of clothing must be created, which can be clearly distinguished from the competition and meet consumer needs and desires exactly. To distinguish itself from competing companies which produce apparel product one can call some specific attributes (characteristics, quality, performance, durability, reliability and design).

3. To **improve product commercialization process** a business must follow certain procedures. First the company should be divided into market segments according to specific criteria which are relevant for the work done. From the many identified segments, the company must choose one or more segments (where possible) on which to focus. Starting from the characteristics of target segments the company should find ways to differentiate itself from the competition and try to design products with which to position itself clearly in the minds of consumers. To build Romanian customer segments for clothing the following variables were chosen: age, income, gender, studies of Romanian consumers as independent variables and the monthly amount spent on buying clothes as dependent variable. According to the results we have obtained it can be said that age, income and Romanian consumer studies have a significant influence on the monthly amount spent by them for buying clothes, becoming a segmentation criteria. It has been proved that gender does not influence the amount spent on clothes. The gender of the consumers will not be used as a criterion for segmentation.

It was determined the importance of segmentation criteria by dividing the calculated value of $\chi^2$ to the value from its table for the same degrees of freedom and a confidence level of 99%. The following results were obtained:
1. For income: \[ \frac{154.54}{21.67} = 7.13 \]

2. For age: \[ \frac{106.35}{30.58} = 3.47 \]

3. For studies: \[ \frac{77.73}{26.22} = 2.99 \]

The last chapter of the thesis is dedicated to the improvement of the management efficiency of enterprises in the clothing industry. The starting point of the chapter is the fact that the resources of any enterprise are limited and that stimulates the increasing role of efficiency criteria in management decisions at company level. Therefore we consider that we need relevant analysis which leads to a place of business which realizes efficiencies.

After examining the efficiency of management improvement in clothing companies we can formulate the following conclusions:

- Economic efficiency means obtaining the maximum useful effect in terms of spending the enterprise resources in a rational way;
- The theoretical approach of the relationship between company management and efficiency of its operation one must start from two premises:
  - Efficiency is the ultimate goal of management;
  - Management is an important factor in the efficiency evolution.
- Efficiency requires reporting to a base of comparison in space and time such that its analysis is compared with the level achieved in similar activities or types of project with different parameters. The economic effects have a complex nature can not be comprehensively quantified. Economic efforts should be analyzed in terms of the availability of resources, of the opportunities and regeneration of the resources and what implications have these expenses on business. In conclusion the efficiency must be considered as a system by comparing inputs with outputs from the system;
- The limited level of resources of any enterprise stimulates the increasing role for efficiency criteria in management decisions at the enterprise level.
Improving the management of enterprises in the clothing industry can be analyzed considering the following five directions:

1. Improving the management process of creating new clothing products can be viewed from two angles:
   a) The improvement of the organizational process of creating new clothing products;
   b) The improvement of creating differentiated product ranges from clothing products offered by competitors.

2. Improving the management of clothing production by:
   a) Improving the organization and planning the production process;
   b) Improving manufacturing technologies;
   c) Implementation of modern manufacturing systems.

3. Improving human resources management by:
   a) Training the employees in accordance with new requirements of technology and production management, with emphasis on information technology;
   b) Develop personal skills and competencies of employees;
   c) Specialization and development of staff who is responsible for the faster implementation of quality systems;
   d) Exposure to new management practices;
   e) Improve workplace activity;
   f) Material incentives of employees.

4. Improving the management of control and quality of clothing activity by:
   a) Improving the prevention of damage;
   b) Improving the identification and remediation of defects.

5. Improving the commercialization of clothing products management by:
   a) Choice of launching period;
   b) Choice of territorial area;
   c) Choice of distribution channels and distributors;


**d) Preparing the market for receiving new clothing collections.**

Indicators for assessing management improvements fall into three categories:

1. Indicators expressing effort such as:
   - The average cost of production;
   - The cost of operating the equipment;
   - Consumption of raw materials;
   - Defect prevention costs;
   - Cost identification of defects;
   - Expenditure necessary to remedy defects.

2. Indicators that express the effect:
   - Turnover;
   - Production capacity;
   - Production achieved;
   - Share high-quality products in total production;
   - Sales volume;
   - Rate of market acceptance of products;
   - Market share.

3. Combining efforts and effects indicators:
   - Profit;
   - Production factors productivity;
   - Labour productivity;
   - Capital productivity;
   - Economic rate of return;
   - Commercial rate of return.

Exercises in terms of efficiency, competence and responsibilities incumbent managers assume their part, not only specialized knowledge but also skills, abilities and qualities that facilitate getting results. The whole behavior of manager at all hierarchical levels should be oriented towards training of employees in achieving organizational subdivision incumbent led in terms of efficiency. An enterprise manager must take those decisions that contribute to enterprise’s efficiency, but also be able to give those system efficiency indicators to meet timing requirements.
In the category of personal contributions on the subject of study we can remember the following:

1. Clarifying the concept of clothing industry;
2. Estimate the evolution of clothing industry in Romania in the coming years;
3. A SWOT analysis for the Romanian clothing industry;
4. Propose definitions for the following terms and concepts: enterprise, production, production system, product, clothing product, economic efficiency;
5. Identify the possibilities for implementing modern manufacturing systems in Romanian enterprises from the clothing industry;
6. Identifying the characteristics of demand and supply of clothing from Romania through two marketing research conducted at national level;
7. Identifying the criteria for Romanian clothing market segmentation;
8. Proposed activities and actions that have as purpose the improvement of management;

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