

THE IMPLEMENTATION OF THE CONTINUOUS IMPROVEMENT STRATEGY AS AN EFFICIENT TOOL TO ACHIEVE THE ORGANIZATION'S OBJECTIVES

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Abstract: *Quality management is a set of activities aimed at achieving objectives, through the optimal use of resources. This set includes planning, coordination, organization, control, and quality assurance activities. The company sets itself a series of "strategic objectives": economic, social, technical, commercial, which are achieved through "operational objectives". In this paper, the author investigates the implications of implementing a quality strategy (the strategy of continuous improvement) on the organization's client's satisfaction, respectively on its economic results. The results highlight the benefits that the implementation of this strategy has brought to the organization looked at.*

Key words: *quality, customer satisfaction, products / services, continuous improvement strategy*

1. Introduction

In the context of a developing economy, marked by increased competition and variation between supply and demand, quality plays a very important role among the companies that want to survive on such a large market. Quality is the ability to use it properly and the value offered for the money spent and, above all, the satisfaction of the customer's needs (Gresoi, 2009). In any industry, customer satisfaction is directly proportional to the quality of the services and products it receives (Neacşu A., 2017). For this reason, companies are developing multiple strategies and methods for maintaining and improving the quality of the products / services they offer, as well as strategies for improving the quality of organizational processes.

The main objective of this paper is to highlight the way in which a company can improve its products / services, by implementing various quality strategies. To achieve this objective, the author used the method of bibliographic documentation but also the method of analysis and synthesis of the collected information. The results show that, by

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constantly applying the strategy of continuous improvement of the quality of products / services, a company can achieve excellent results both in maintaining its market position but also in increasing sales, the number of customers and the profit.

2. Literature review

The quality management system shifts from the quality assurance system to total quality management (TQM). The objective of quality management, as part of the general management of the enterprise, is to improve the performance of the enterprise, with the quality policy oriented towards continuous improvement. The principles of Quality Management are (Dogaru, 2016): 1. Customer orientation, 2. Leadership, 3. Staff involvement, 4. Process-based approach, 5. Management approach as a system, 6. Continuous improvement, 7. Facts-based decisions, 8. Good relations with suppliers.

According to (Pringle, Field, 2011), the main documents needed to implement the quality system in an organization are:

1. The quality manual - is the document that announces the general quality policies, procedures and general practices of an organization in the field of quality.
2. Quality plan - is a document that specifies the practices, resources, and sequence of activities related to quality, regarding a particular product or service.
3. Quality system procedures - describe how quality policy objectives are put into practice.
4. Working instructions. The information and guidance at the job level are provided to the staff through working instructions.
5. Quality records - are documents that provide objective evidence regarding the degree of satisfaction of quality conditions.

J.M.Juran (1986) considers that quality management consists of three main quality-oriented management processes: ☐ quality planning; *quality control; ☐ quality improvement. These three processes were called the "quality trilogy", named by the Juran Institute "the Juran trilogy".

The "strategy" concept represents the combination of the major objectives that the company aims to achieve and the necessary means. It implies the ability of the company to ensure the convergence of actions and means for achieving major objectives in the context of a programmatic and pragmatic approach.

The strategies in the field of quality have the mission to face the competition, therefore they are competitive strategies. They can be (Militaru, Dragut, Zanfir, 2014):

- offensive - market penetration, with the achievement of quality products at least at the level of competition;
- defensive - to maintain market position, with emphasis on quality assurance and keeping technological processes under control.

Within companies, distinct quality strategies need to be defined, in terms of products:

- adapting the quality to the requirements of each market segment;
- qualitative differentiation from competitors' offers;
- improving the quality, when it has a strong position in the market.

Strategies can be designed:

- in the short term, when we talk about current strategies;
- in the long term, when it is necessary to apply a total quality management.

3. Research methodology

To achieve the objective pursued in the paper, namely highlighting how a company can improve its products / services, resorting to the implementation of quality strategies, the author used the bibliographic and field documentary research as well as the analysis and synthesis of the information obtained.

4. The company description

Ropharma S.A. works according to an integrated business model:

- production of medicines, food supplements and milk powder (through the three locations held: S.C. Aesculap S.R.L. (from Tg. Mureș), Î.C.S. Eurofarmaco S.A. (Chisinau, Republic of Moldova), respectively S.C. Bioef S.R.L. (Alba county);
- distribution (through the 7 warehouses located in Bucharest, Iași, Bacău, Tg. Mureș, Cluj-Napoca, Craiova and Timișoara);
- retail (through its own network including 145 pharmacies);
- medical services through the "Sfântul Constantin" multidisciplinary private hospital in Brașov.

The production unit S.C. Aesculap Prod S.R.L. is the continuation of the "Galenic Laboratory" tradition (established in 1976) and produces a wide range of dietary supplements, with a rich content of essential vitamins and minerals, as well as other important nutrients: immunoglobulins, silymarin, glucosamine, chondroitin-vitamins.

Production unit Î.C.S. Eurofarmaco S.A., based in Chisinau, benefits from a diversified portfolio of products (vitamins, food supplements, respectively medicinal products), available in the markets of the Republic of Moldova, Ukraine, Kazakhstan, and Romania.

The third production entity, S.C. Bioef S.R.L. is located in Alba County and specializes in the production of milk powder, products approved and certified by the Ministry of Health.

In addition to the production activity, S.C. Ropharma S.R.L. holds its own drug distribution network, its efficient functioning being supported by the five warehouses (Iași, Bacău, Bucharest, Cluj and Tg. Mureș) and a car fleet.

Ropharma operates one of the main pharmaceutical chains in Romania (over 140 locations): Bacău (21), Brașov (2), Harghita (10), Iași (29), Mureș (24), Neamț (14), Sibiu (4), Suceava (4), Vaslui (9), Vrancea (4) etc.

Since 2011, Ropharma started a collaboration partnership with St Constantine Hospital in Brașov. Within the hospital there are 5 sections, totalling 79 beds, having both rooms for hospitalization and for outpatient treatment: general surgery, medical oncology, ENT, spinal neurosurgery, urology, and an operating unit consisting of three multifunctional surgical rooms, respectively one surgical intensive care unit, with 13 beds. The modern equipment, the qualified personnel and the special conditions of accommodation place the St. Constantine Hospital in the top of the private hospitals in

Romania, by the fact that all the facilities are specially designed to meet the international quality standards in the medical field (www.forbes.ro/articles).

The main market is the retail market, the sales being made through its own network of pharmacies, which includes over 140 locations (145 this year), respectively through angró distribution, supported by the 7 warehouses.

The most important clients are represented by the County Health Insurance Houses, the County Public Health Departments and the Defense Health Insurance House, Public Order, National Security and the Judicial Authority.

Ranking of national distributors of pharmaceutical products, places S.C. Ropharma S.A. in the Top 10 as shown in Table 1.

Table 1

Ranking of the main distributors of medicines in Romania

No.	Company	Turnover (Euro)			Market share
		2015*	2016**	2017***	
1.	Mediplus Exim	735,548,262	888,994,813	874,696,006	26.82%
2.	Farmexpert D.C.I.	614,742,749	640,835,792	664,729,609	20.38%
3.	Fildas Trading	366,893,538	538,833,435	598,971,935	18.37%
4.	Farmexim	385,770,596	412,269,905	442,203,932	13.56%
5.	Pharmafarm S.R.L.	129,718,416	167,792,153	216,236,923	6.63%
6.	Europharm Holding	203,264,962	196,210,205	163,651,366	5.02%
7.	Ropharma	95,024,848	108,805,278	120,919,014	3.71%
8.	Romastru Trading	93,520,493	97,091,991	120,280,823	3.69%
9.	BLD Pharma	40,680,657	30,558,062	32,165,872	0.99%
10.	Angelini Pharmaceuticals	33,743,195	27,865,372	27,391,530	0.84%
	Total Turnover	2,698,907,716	3,109,257,007	3,261,247,010	100.00%

Source: author processing, based on information transmitted to the Ministry of Public (<http://www.mfinante.ro>); BNR annual average course - * 4.4450 lei / euro - ** 4.4908 lei / euro - *** 4,5681 lei / euro (<http://www.bnr.ro/Publicatii-periodice>)

The pharmaceutical retail in Romania includes approximately 8,200 pharmacies and over 4,700 operating companies. Regarding the retail market, S.C. Ropharma S.A. occupies the fifth position, the top of the largest players being presented in table 2.

Table 2

Ranking of the pharmaceutical retail market in Romania

Crt. no.	Company	Number of pharmacies (2018)
1.	Catena (Fildas Trading)	750
2.	Sensiblu (A&D Pharma)	650-700
3.	Dona (S.L.E.P.C.O.F.A.R.)	335
4.	Help Net	over 211
5.	Ropharma	over 140

Source: <https://www.zf.ro/zf-24>)

The company has contracts with the world's leading drug manufacturers: AstraZeneca (United Kingdom), Laboratoires Servier Ind. and Sanofi-Aventis (France), Pfizer, Mylan Pharmaceuticals and Abbott Laboratories (USA), Janssen-cilag Farmaceutica Lda (Portugal) and Lundbeck (Denmark), as well as at the national level: Farmexpert, Antibiotice Iași, Cluj-Napoca Therapy and Labormed Pharma Trading Bucharest.

The main partners are the national distributors: Farmexpert, Mediplus, Farmexim, Europharm Holding, Romastru Trading, Pharmaceutica Remedia, PharmaFarm and Polisano.

In order to sell the products in the production portfolio, the company has partnerships, both with the main pharmacy chains: Chain, Sensiblu and Dona, as well as with the non-affiliated pharmacies. The management of the company has focused its attention on developing partnerships with companies operating on the foreign market (Italy, Ukraine, Latvia, Asia and the Middle East).

For this year, the businessman Mihai Miron estimates an increase of the business of 8-9%, but lower than the one registered last year, of 19% - in 2018 (www.forbes.ro/articles).

5. Results and discussionss

The purpose of Ropharma's management is to know and permanently meet the needs of its customers. In this respect, the adoption of a systematic pro-quality policy is considered essential for the quality assurance of medicines, so that they reach users without undergoing changes of properties, in all three segments of the pharmaceutical market: production, distribution and retail (<http://www.ropharma.ro/RO/4>).

An important role for the implementation and fulfilment of the quality policy rests with the well-trained specialists who, together with the whole group, actively participate in all the actions undertaken by the management.

Customer satisfaction involves a continuous effort to improve the quality level of the services offered, achievable by promoting activities that lead to a complete understanding of the consumer's needs.

The permanent objectives of the company derive from the quality policy and consider:

- increasing the company's notoriety and credibility;
- a change of mentality among the staff;
- developing the skills of the employees of the company;
- increasing the level of accessibility of the products for as many customers as possible;
- increasing customer satisfaction;
- diversifying the production and adapting the range of services to the clients' requirements;
- permanent assurance of a prompt and efficient communication with the clients.

In the process of satisfying the demands of consumers, increasing the degree of confidence in the products and services offered by S.C. Ropharma S.A., respectively to meet the expectations of its shareholders, the management of the company has adopted, starting with 2013, a strategy of continuous improvement. This approach required the foundation of certain principles, such as:

- increasing competitiveness by intensifying the research-development-innovation activities;
- a portfolio that determines growth rates of sales (domestic and international market), generate profit and maximize the use of production capacities, distribution network and retail market respectively;
- increasing the economic impact of the portfolio, aiming at the internationalization of the business on different strategic markets;
- establishing partnerships;
- adapting the production to the technical and technological trends, both through investments in new production capacities, as well as by modernizing / retooling the existing flows;
- correlating the need of specialized personnel for the specific of the pharmaceutical industry;
- continuous updating and keeping activities under control, in accordance with the legal requirements specific to the pharmaceutical industry, the wholesale distribution of medicines and the retail one;
- the optimization of the processes in order to reduce the operational costs, the continuous concern for respecting and improving the conditions of the processes, in order to minimize the impact on the environment and the protection of its employees;
- pro-active monitoring of risks with impact on the development of activities and the achievement of objectives;
- increasing the degree of reactivity to the natural and regulated evolutions of the global pharmaceutical market, including by increasing the level of computerization of activities;
- development of flexible managerial systems meant to increase the orientation towards learning, improvement and innovation;
- the balanced orientation of the quality management system, in equal measure for the improvement of the quality and for the flexibility of the activities generated by the specific regulations of the industry;
- continuous optimization of the management systems imposed by the regulations specific to the field, in order to keep the generated costs under control.

The method of accomplishing the objectives is achieved mainly by observing the rules imposed by: Guide of good distribution practice; Order of the Minister of Health no. 1963/2008 for the approval of the guide on the rules of good practice of wholesale distribution of medicines; Implementation of the Quality Management System, having as reference standard SR EN ISO 9001: 2008, Quality Management Systems. Requirements (<http://www.ropharma.ro/RO/4>).

In order to improve the performance of the logistics and operational infrastructure, steps have been taken to upgrade the car fleet. In addition, the company is in the process of modernizing and greening the car fleet, and by the end of 2020 the entire car fleet will be changed. In this regard, 30 new Toyota Yaris Hybrid vehicles were purchased, an investment amounting to a total value of 411,030 Euro. At the same time, 40 Renault Master cars were purchased.

Over the last few years, the management of the company has focused its attention on the modernization of production technologies and working conditions, respectively the elaboration of viable quality control procedures. The acquisition of raw materials, the conditions of storage of raw materials and finished products, the sampling procedures are permanently harmonized with the norms of good practice in production (GMP), respectively with the international quality standards (ISO).

There have been activities to modernize the control systems regarding the stability of medicines (in the five warehouses, respectively in pharmacies) which, together with their effectiveness, purity, and safety are the determining factors in ensuring their quality. In this regard, modern systems have been purchased to keep under control the factors that can influence the degradation of drugs: light, air, acidity, alkalinity, concentration of the active substance, pH, etc.

Also, temperature monitoring systems were purchased in the storage spaces for each category of products (medicines, food supplements, cosmetics, special diet products, etc.), throughout the distribution chain. In order to monitor the temperature conditions, a "List of heatable products" was prepared, specifying the conditions for the storage of the products, which are displayed in visible places, usually in the area of refrigeration equipment.

Particular attention was paid to the management of priorities, respectively the management of the products classified in the First Expiry - First Out category (a customization of the First In - First Out method). Thus, by using this method, the products marketed by the company are downloaded from management according to their expiry date and not according to the chronological order in which they were registered. The implementation of the First Expiry - First Out system allowed the improvement of the inventory management, by keeping their records according to the expiry date of the products.

With the stated objective of aligning the quality of the wholesale distribution with the reference SR EN ISO 9001: 2000, in 2016 the audit of the surveillance no. 2, from the second certification cycle, which reconfirmed that S.C. Ropharma S.A. maintains the Quality Management System, continuously improving its efficiency, in accordance with the requirements of the reference standard SR EN ISO 9001: 2008.

Within the strategy of continuous improvement of quality, the aim was to increase the level of qualification of the human resource, by organizing information and training courses, participating in scientific sessions of communications, congresses of pharmacology, etc. Thus, between 2013 and 2017, Ropharma employees participated in numerous courses organized by the College of Pharmacists of Romania, within the programs of Continuing Pharmaceutical Education (EFC) and Continuing Medical Education (EMC).

Through the renewal of the car fleet the company aimed to improve the quality of the distribution activity, among the benefits obtained being:

- covering the entire territory of Romania and, consequently, increasing the volume of sales, both in terms of the products of own production and those of the partners;
- shortening the delivery time of the products, the company being able to deliver any product from its own portfolio or of the partners, within maximum 24 hours;

- lower costs, due to lower fuel consumption;
- alignment with the norms regarding the protection of the environment (decrease of the pollution level), due to the low quantity of CO₂ emissions (89g / 100 km).

The main benefits regarding the alignment of the quality of the wholesale distribution to the reference SR EN ISO 9001: 2000 and the implementation of the SMC are:

- more efficient management of the organization's activity;
- reducing unnecessary costs and dead time;
- represents an important asset for the acceptance of the company's products, both on the Community and extra-Community markets.

The modernization of the stability control systems, respectively of the temperature control in the storage spaces, has contributed to:

- keeping the properties and stability of the raw material, medicines (own production or partners) under control, in accordance with the analytical-normative provisions in force, which has led to a decrease in the number of complaints received from customers, either individual or partner entities;

- improving the capacity for the evaluation of the antagonistic activity (adverse reactions) and the specific activity of the drugs, which increased the speed and efficiency of reporting to the National Pharmacovigilance Centre within the National Agency for Medicines and Medical Devices;

The participation of a large number of employees in the training and professional development courses had the following benefits:

- increasing the level of training of the staff and, implicitly, reducing medication errors.
- increased customer satisfaction, including through improved staff communication skills;
- reducing the number of incidents and complaints;
- reducing the time required to solve the problems of each client / patient;
- improving the organizational climate;
- increasing sales as a result of the methods used.

The results of the implementation of the strategy of continuous quality improvement by S.C. Ropharma S.A. determined the positive evolution of the main economic indicators, as can be seen in Table 3.

Table 3

The economic indicators of S.C. Ropharma S.A. for the period 2013 - 2017

Indicators (lei)	2013	2014	2015	2016	2017
Net turnover	413,343,859	420,204,438	434,083,007	488,622,744	537,485,018
Total income	426,856,112	442,678,881	478,501,617	513,325,308	539,338,520
Total expenses	417,124,479	433,481,920	468,168,372	500,434,557	524,130,190
Net profit	7,787,119	7,270,459	8,639,715	10,344,526	11,626,892

Source: author processing, based on information from the consolidated financial statements from 2013-2017(<http://www.ropharma.ro/Fisiere/RapoarteActionari/>)

6. Conclusions

The development of any company depends to a large extent on identifying the needs of the clients and on permanently offering solutions adapted to these expectations. The adoption of strategies in the field of quality must be correlated with the strategies and objectives of the organization, becoming perfectly achievable by capitalizing on the human, financial and logistical resources that the company has and combining professionalism, responsibility, and innovative spirit as much as possible.

For S.C. Ropharma S.A. the implementation of the strategy of continuous improvement, materialized in the modernization of the car fleet, the modernization of the control technology of the parameters that influence the quality of the medicines during the storage and the modernization of the laboratories for the analysis of the quality of medicines. The improvement of the personnel performances through their participation in training courses and congresses, conferences, has had positive results, causing a number of effects such as increasing the stability of medicines during storage, reducing the delivery time of products, decreasing the number of complaints, etc. All this has resulted in increasing customer satisfaction and streamlining the organization's activity, which is reflected in the permanent increase of sales and profit of the company.

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