

## VALORIZING ENTREPRENEURIAL POTENTIAL OF THE CENTRAL REGION – PARTNERSHIP BETWEEN UNIVERSITY AND BUSINESS ENVIRONMENT AS SUPPORTING ELEMENT OF THE ENTREPRENEURIAL CULTURE

Ionela Gavrilă-Paven<sup>1</sup>,  
Andreea-Cipriana Muntean<sup>2</sup>

*ABSTRACT: The core of the economic growth is the nation entrepreneurial potential and its force of creation and qualities. The enthusiasm and imagination of the entrepreneurs that are capable of accomplishing their dreams is the key element that leads a business to success becoming in this way model of success for the future generations.*

*Building the reliance between desire and reality, beginner entrepreneurs have to rely on solid basis such as business plan well elaborated, good practices and IT instruments. Once established and adopted these elements, entrepreneurs and managers can apply their own abilities in increasing a business and lead it towards success.*

*So, leader entrepreneurs build success companies that are generating economic changes and create working places but they are contributing to the improvement of their communities. Dynamic, flexibility, innovation spirit, orientation capacity towards the clients need or the quick reaction in market adaption represents the definitely characteristics of these companies.*

*Although the small and medium enterprises sector is one of the most affected by the effects of the economic crisis, present situation can be considered as an opportunity for small and medium companies in identifying and quick response to the market changes in finding flexible and innovative ways of developing activities.*

*Key words: entrepreneurial potential, partnership, entrepreneurial culture*

*JEL Codes: A10, O10*

### **Introduction**

Local entrepreneurial potential remains insufficient valorized resource at the Romanian' economy level due to the lack of information of the population, and due to the existence of some reserves considering the risk's assumption. This is the reason for which the European Union, through its structural instruments, desires to contribute to the development and promotion of the entrepreneurial potential in all member states, suggestively in this sense being the catchwords: *Investing in people!*

One of the positive effects of the economic crisis that affected and continuous to affect the largest part of the European Union's members economies, and not only, is the fact that these economies were cleaned up of the inefficient and unproductive companies, because that one's did not survive to this period; instead there were consolidated the companies that focused upon increasing the labor productivity, on quality of the supplied products and service performed, including the maintenance of a trusting relation with main clients. So, after this cleanup operation of the economies, in their structure remained or appeared a series of sectors opened for free lancers.

---

<sup>1</sup> 1 Decembrie 1918 University, Alba Iulia, Romania, e-mail: ionelapaven@yahoo.com

<sup>2</sup> 1 Decembrie 1918 University, Alba Iulia, Romania, e-mail: bologandreea@yahoo.com

Entrepreneurship refers to the ability of an individual of transforming its ideas in action with precise economic and social finality. This includes creativity, innovation and risks' assumption, as well as the ability of planning and managing projects for certain objectives. The entrepreneurial abilities are making aware the employees to the context of their activity and make them able to identify and to concretize the opportunities that are representing the base for the commercial and social activities development.

Capacity of an economy of growing and competing with success is depending on the existence of an optimum number of companies including the encouragement of the start-ups and management of the business dynamic. An economic increased based on innovation and excellence needs a high number of start-ups that will generate more and better working places. Countries that have increased entrepreneurship activity are recording lower rate of unemployment. More, social systems are facing increased pressure due to the diminishing of the working population. If the Europe wants to maintain successfully its social model, it needs a sustained economic growth, more new companies, more entrepreneurs that will contribute to the development of innovation and more small and medium enterprises that are developing themselves.

Entrepreneurship can contribute also to the increase of the social cohesion for those regions less developed through the unemployed and disadvantage population's inclusion into the working category. More, it can contribute to the development of the women entrepreneurship potential that represents an important resource but insufficiently exploit. The increase of the dynamic and entrepreneurial base's internationalization is the shape in which the economy can develop itself for supplying better answers to the requests and opportunities of the unique market. Romania has to invest in developing the small and medium enterprises' sector in promoting the entrepreneurial culture for creating the appropriate framework for initiating new businesses.

Future economic growth of Romania has to be built on economic activities that have increased added value, being necessary to introduce the economic model based from raw or primary processed materials' export to the economic activities that have to assure an increased level of processing able to generate added value. For developing this segment there are needed entrepreneurial abilities.

Romania has to develop a new generation of entrepreneurs with characteristic abilities such as responsibility, spontaneously, adaptability, initiative and managerial spirit that will allow them to implement adequate strategies for entering and maintaining on the market. These personal abilities have to be cultivated during the educational cycles, and more, long life learning.

At European level, preoccupations for promoting and developing entrepreneurship are present in all main documents starting with Lisbon Strategy and continuing with the Partnership for economic increasing and occupation or the Entrepreneurship Action Plan.

### **Presenting the partnership between University – Business Environment**

The aim of our scientific demarche is to analyze the receptivity level from the economic environment as well as the efficiency of the activities developed in a strategic project with European financing that has as objective the support and development of the entrepreneurial culture at the four developing regions of the country, detailed analyze being made on Central Region. In this region, the project implementation is being realized at the „1 Decembrie 1918” University of Alba Iulia. The regional entrepreneurship potential is one of the advantages that the Romanian economy can valorize and assure, in these way new economic increasing sources and economic crisis' solutions. Supporting this idea, through the project *Training and assistance in managerial – entrepreneurial area for small and future entrepreneurs, managers and employees from the small and medium enterprises from the North-East, North-West, Central and South-East Regions*, has as main objective the support of the entrepreneurial culture as well as of the abilities, knowledge and skills of the entrepreneurs and future entrepreneurs. Project's implementation is assured through a strong partnership developed by the Ernst & Young Romania Company as partnership's leader and

S & T Romania Company as main partner, as business environment representatives with considerable experience in financial audit services, fiscal and juridical assistance, transactions assistance and business assistance, respectively in the IT area, to which are involved four representative universities for the implementation regions of the project: Alexandru Ioan Cuza University of Iasi, Technical University of Cluj-Napoca, „1 Decembrie 1918” University of Alba Iulia and Dunarea de Jos University of Galati.

In this partnership, as well the beneficiary, Ernst & Young Romania Company, as well as the partners has collaborated in developing the project's idea and the realization of the project's proposal. The need of implication of all partners in design stage and, especially in the implementation stage is resulting of the specific experience of the partners and the need for complementary competences for realizing the settled actions for assuring the best experts in area and material base for activities' development. The Ernst & Young Romania Company had the main role in identifying the needs of the target group and developing the project idea. In the implementing stage of the project the Ernst & Young Romania Company has responsibilities regarding the project management, coordination and supervision of the activities, reports and financial management, communication and information activities' management. The implementation team from the Ernst & Young Romania Company has eight long term experts and over twelve short term experts depending on the real needs of the project and will contribute to the identification of the main beneficiaries' categories and their needs in the stage of implementing the project idea; supplying the scientific content for the courses; supplying the training and assistance services for starting up and (re)organizing the businesses. Partners representing the academic environment are the major university and post-university training as well as continuously training with impressive portfolio of educational and research projects implemented in the economic field. The implementing teams for the universities will contribute to the identification of the main categories of target group and the regional representative institutions, to the activities of communication and promotion of the training sessions, supplying the scientific content for the courses, supplying the training services in the area of general management, assuring the logistic conditions and hostage of the training sessions.

The main objective of the project it is represented by the promotion of the entrepreneurial culture and the development of the entrepreneurial and managerial knowledge, attitudes, abilities and skills for the small entrepreneurs and future entrepreneurs or persons that want to initiate independent activities, managers and employees from the small and medium enterprises from the four regions of project implementation for starting up new businesses and (re)organizing the existing ones, is being detailed at regional level in the next specific objectives: (1) increasing the awareness of the entrepreneurial alternative and managerial culture through management ignition, promotion of the entrepreneurial spirit and presenting models of success and good practices at national and international level; (2) supplying specific training regarding the concepts. Models and managerial techniques, new organizational solutions, IT systems for a modern management, investment studies, identifying and accessing the financing sources; (3) supplying the assistance services for initiating independent activities, (re)organizing the business and developing the investment projects, implementing the IT systems for business management for the small and medium enterprises and persons that want to start-up a business or an independent activity; (4) creating a studying and cooperation network for the good practices transfer in the area of management and entrepreneurship through the designing and exploitation of a web portal and an eLearning application.

Accomplishing the settled objectives guarantees the direct contribution to the modern managerial culture and entrepreneurship promotion as an alternative occupying measure in Romania. Through the training and managerial assistance supplying customized on the participants' needs, they will gain knowledge and managerial and entrepreneurial abilities for materializing their

own business ideas and/or efficient and modern organization of the businesses according to the European level best practices existence.

“1 Decembrie 1918” University of Alba Iulia is responsible with the project implementation for the Central Region and is the coordinator of the following activities at regional level: creation of an online community built with the main regional partners that can be involve and offer support in implementing the project activities; realizing the projection and planning of the training program through the working group formation responsible with the training program, curricula detailing and selection criteria for the training sessions participations, presentations elaboration, courses materials, preparation of the study cases for face to face training and their updating based on the results of the training sessions’ evaluation; supplying the assistance and counseling services through the promotion of the assistance bureau and dissemination of the project’s results.

### **Methodology Research**

At Central Region, respectively the “1 Decembrie 1918” University of Alba Iulia, during the period of March – May 2011 it was developed the first series of events in the project, series that consists in a promotion conference, three training sessions and five thematic workshops. For evaluation the training activities developed for the entrepreneurs or future entrepreneurs that participated at the events there was administrated evaluation questionnaires.

So, during the regional conference there were approached themes such as “Entrepreneurial Processes Bases”, “Initiation in Managerial Culture”, “Business Administration”, “Business Performances’ Reorganization, Restructuration and Improvement”, “Business Financing Methods” and “IT Instruments for Business Management”. There were applied 142 questionnaires from which there were returned 25 questionnaires.

The training sessions were developed around three modules that included presentations on themes like: “Entrepreneurial and Management for Small and Medium Enterprises”, “Innovation and Developing Strategies for Businesses”, “Sustainable Development”, “Human Resources Management”, “Negotiation”, “Production and Services Management”, “Structural Funds Alternative for Financing the Investments Projects”, “Management and Interface with the Informatics System, History, ERP Systems and Ecommerce”, “Implementing IT Systems. Methodology, Risks and Costs. Study Cases”, “Systems BI, EPM, CRM, ECM”, “Other IT Solutions for Business Management (PMO, CI, SCM a.o.)”. There were applied 99 questionnaires from which there were returned 34 questionnaires.

Thematic workshops were developed on five modules: “Restructuration, Reorganization and Improvement of Business Performance”, “Planning. Budgeting and Financial Management”, “Business Financing”, “Business Plan”, “IT Instruments for Business Management”. There were applied 71 questionnaires. Lecturers that participated at workshops were from Ernst & Young Romania Company and S & T Romania Company. Evaluation activity for the workshops was realized considering the following criteria: presentation clarity, material knowledge, interaction and enthusiasm, general evaluation.

The evaluation was realized with the help of a scale from 5 – Excellent to 1 – Weak.

### **Research results**

As a result of the analyze and the data gathered we could come to the conclusion that 8% of the respondents consider that the objectives of the regional conference had been over realized and 84% of them consider that the expectations and objectives of the conference had been entirely accomplished.

Quality of the conference is appreciated as being “excellent” in over 44% of the answers and over 52% as “good” and there was recorded no unfavorable answer.

As a results offered by the 25 persons that have completed the evaluation questionnaires, the relevance of the themes, the content of the presentations and the supplied information by the

speakers had outcome the participations' expectations.

The period of each session has been appreciated with the grade "good" by 44% of the participants. As well, the invitation and subscription process, the effectively organization of the event, the location and facilities were appreciated in a favorable manner by the majority of the respondents of the questionnaire's questions.

At the opened question "Which of the regional conference's aspects do you consider that was the most important?" we received answers like: "All aspects were important", "Discussion related to the entrepreneurial activity and the structure of the entrepreneurial activity", "Satisfactions and dissatisfactions of the entrepreneur" and others.

Participants to the evaluation process made no suggestions regarding the other themes that could be approached during the regional conference.

Regarding the feedback for the training sessions over 60% of the participants that were evaluated had considered that their expectations had been accomplished entirely, for 12% of them the expectations had been outcome and for 18% had been significantly outcome. Only 9% of the respondents declared that their expectations had been partially accomplished.

Generally the quality of training sessions had been appreciated as being "excellent" and "good" and there were no dissatisfactions answers recorded.

Every person evaluated appreciated as "excellent" and "good" the themes' relevance, quality of presentations, clarity of the information transmitted by the speakers and the period of each training sessions.

The feedback was a positive one regarding the invitation and subscribing process, the effectively organization of the organization, the proper location and facilities.

At the opened answer "Which of the training sessions' aspects do you appreciated as being the most important?" the significant answers were: "All aspects were important", "Introductory concepts and Ernst & Young presentation", "Presentation of the practical cases regarding the small and medium enterprises", "Data regarding financing and the transmission process", "General concepts regarding the financing process", "Exactly presentation of the themes and presenting relevant examples" and others.

Among the recommendations made by the participants, often there was mentioned a long period of time for the presentations.

Generally, the thematic workshops were appreciated with the grade "excellent" by 32% of the persons that completed the questionnaires, 44% appreciated as "very good" and 3% with "relatively good". There was no answer for "weak". The thematic workshop that obtained the numerous "excellent" appreciations (over 80% of the questionnaires applied) was the "Reorganization, restructuring and improvement of the business" workshop followed by the "IT instruments" workshop that obtained "excellent" appreciations from 50% of the participants, followed by the "Planning, budgeting and financial management" workshop (17% of the investigated subjects appreciated it with the grade "excellent") and the workshop "Elaboration of a business plan" (13% of the appreciations were of "excellent"). Thematic workshop of "Business financing methods" recorded no answer for the "excellent".

Regarding the accomplishment of the settled objectives and the accomplishment of the expectations regarding the workshops, over 70% of the investigated persons appreciated as "excellent" and "very well" these evaluated criteria.

As a result of the evaluation process, the majority of the lecturers received scores over four points for all the four criteria.

Among the recommendations made by the questioned persons, relevant in this matter are the following: "I would recommend this workshop due to the fact that gathered information are entirely satisfying the knowledge need and the fact that these are explained and exemplified practically" (Business plan workshop); "I found useful information in an interactive way, investing only my time" (Planning, budgeting and financial management workshop); "Presentation was well structured

and realized in our level of understanding” (reorganization, restructuring and improvement of the business performances) or “In my opinion no matter the knowledge that you have or good manager that you are, there are many interesting things in these workshops that deserves to find out” (Business financing workshop).

### **Conclusions of the scientific demarche**

Analyzing the data gathered we can draw the conclusion according to which there is entrepreneurial interest regarding the organizing and developing training courses in this area. The training activities from the project obtained a positive feedback from the participants.

Central Region is being situated on the sixth place from the eight development regions regarding the students investors and has 12,70% considering the entire operations regarding the subscriptions of the National Office of the Commercial Registry, that leads us to the idea that there are needed sustained efforts regarding the promotion of the entrepreneurship through all possible means and with the support of the local and regional actors from the community system.

For the Central Region it is very important to develop the entrepreneurial activities through specific actions that should lead to the following objectives: information, specific training, consultancy through the national and local programs and financing according to the national and local program.

Information activity is addressed to the micro-enterprises, small and medium enterprises, cooperation system, individual producers that are looking for data, consultancy, assistance and answers to their questions related to legislation, policies, programs and financing opportunities through European and national funds.

Through the financing programs that are administrated at national and regional level there are followed the objectives: establishing a favorable environment for starting-up and developing enterprises, competition stimulation, European quality standards implementation, promoting the entrepreneurial culture, developing the manufacturing sector. Generally can be financed the following services categories: (1) developing the strategies that are based on innovative solutions for creating new products/services and technologies; (2) business plans, feasibility and pre-feasibility studies regarding the implementation of eco-efficiency and competition technologies as well as for creating competitive products; (3) management, marketing and/or financial analysis for implementing a certain project; (4) promotion strategies and plans for a certain project; (5) specific financial consultancy for a certain project; (6) developing and simulation strategies and plans for human resources regarding the extension of the business or implementing a certain project; (7) evaluation and diagnostic studies for business transfer.

The most important activity areas, considered as uncovered market pieces, that we consider that there are real possibilities for developing entrepreneurship for the Central region, based upon data synthesis in the study accomplished by the Center for Entrepreneurship & Business Research are: (1) tourism and agro-tourism – due to the geographical and ethnographic potential of the region, increasing demand in this area and multiple possibilities in obtaining financing through European funds; (2) specific transportation for the mountain tourism – related to the increase of the tourism there is a real need for increasing the innovative transportation means (trains on small lines, animal transportation means, cable transportation and others) as well as the financial possibilities through the European funds grants and attraction of the foreign capital; (3) touristic services (for spending spare time) – it is more and more acknowledged the need for diversity regarding the services offered for the tourists through specific modernizations (for example mountain cyclist, motorbike tours, ATV tours, paintball areas, alpinism tours for beginners and others) considering again the possibility for accessing the European funds; (4) business consultancy in human resources development – many persons desire to start-up on their own but they are facing the lack of information and consultancy in building their own business plan in a feasible way and regarding the financing opportunities; many companies that exist presently need trained staff for certain specific

areas and cannot find appropriate financing opportunities, mainly information regarding the Sector Operational Program for Human Resources Development, this one being accessed mainly by the continuously professional training institutions; (5) roads building and technical installations for sports (winter-summer) – roads building will be a sector that will not be affected by the crisis and the building for technical installations for sports are strongly related to the tourism development and innovative services in this area; (6) ecological agriculture for vegetables and fruits – there is an increasing demand on the market for internal ecological products even with high possibilities for export for these products for which there is no need to invest increased amounts for investments and there are possibilities in attracting foreign investors; (7) children taking-care in kindergartens - education system for this sector does not offer solutions for the entire demand on the market, that is why many and many persons tried to offer the private solution for this problem offering better conditions, meals and activities as well as the possibilities of accessing the European funds; (8) waste recycling – it is a relatively free area on the market due to the big volume of the existing waste and its recycling in smaller quantities and only in certain areas; increased possibilities in accessing external funds and foreign capital for superior technologies; (9) alternative energy (sun, wind, thermal) – a relatively new area in this region, special request of the European Union in using a bigger and bigger percent of the nonconventional energies, possibilities in using European funds and partnership projects.

### **References**

1. European Integration Ministry, Regional Operational Program 2007 – 2013
2. Labour, Social Solidarity and Family Ministry, Operational Program for Human Resources Development 2007 – 2013
3. National Action Plan for Education, Central Region, 2007 – 2013
4. National Institute of Statistics – Statistical Yearbook of Romania, Bucharest, 2008.
5. Public Finances Ministry, National Reference Strategic Framework 2007 – 2013
6. Romanian Govern, European Commission, Common Memorandum for Social Inclusion, 2004
7. Statistical Regional Yearbook for Central Region for 2008, Alba Iulia, 2009.
8. Administrative sources – County Agencies for Labor Force from Central Region, Regional Development Agency Central Region, Regional Statistics Bureau in Central Region, Regional Statistics Bureau in Alba County, County Commercial Registries from the Central Region.
9. [www.insse.ro](http://www.insse.ro)
10. [www.start-imm.ro](http://www.start-imm.ro)