The Factors and Transversal Reorganizations Principles of Romanian Textile Industry Enterprises using Activity-Based Costing Method

Sorinel Căpușneanu
Candidate Ph.D. Lecturer
University ARTIFEX Bucharest

Abstract. *This article describes the factors and the principles of transversal reorganization of the enterprises from the Romanian textile industry by adapting the Activity-Based Costing method (ABC) to its specific. There are presented and analyzed the real possibilities of reorganization of the enterprises in Romania by elaboration of methodological phases that will be covered until the implementation of their transversal organization. Are we ready to adapt the Activity-Based Costing method to the specific of the Romanian textile industry and not only? Here is the question whose response we will find in this article.*

Key words: ABC method; transversal organization; principles; organization factors; textile industry.

Organization factors of Activity-Based Costing management accounting

In the specialty literature, most of the specialists maintain that only few organization factors are playing a serious role in the adoption of Activity-Based Costing calculation system. We have identified and examined five meaningful organization factors, as follows: the enterprise size, technology application, number of products, significant overhead costs and competition.

Some of the specialty studies done by Innes, Mitchell and Bjørnenak revealed the fact that from a statistical point of view, the size represents a differentiation factor between the enterprises that adopt the Activity-Based Costing method and those that do not. The mentioned authors didn't succeed in explaining and grounding this fact, but Bjørnenak suggests that many big enterprises have a much larger communication and infrastructure network necessary for the adoption of ABC method. In the same study, it has been shown that enterprises using ABC method manifest an expansion tendency as compared to the enterprises which do not adopt this method.

Through the years, all the changes made in industry have been directed towards automation and mechanization growth. Traditional cost accounting systems using overhead costs assessment methods based on manual labor allocation are not able to allocate the overhead costs correctly in an environment in which labor registers a low level (for example: custom method, which is practiced on a large scale in the textile industry). The current tendency of enterprises which are largely based on technology is pointed towards transition to the Activity-Based Costing method implementation. The specialty studies revealed the fact that enterprises using the ABC method indeed rely a lot on technology. Technology can't be considered a significant differentiation factor, because the specialists in the field discovered that most of the enterprises which have not implemented the ABC method enjoy nevertheless a substantial technological support.

In the case of enterprises that produce heterogeneous products, the traditional costing methods tend to establish distorted costs, as long as products use different quantities of overhead resources which are not necessarily related to production volume. The specialty literature indicated however that the number of products could be a distinguishing factor between users and non-users of ABC method. The specialty studies undertaken by specialists from France and United

States of America considered, however, that the number of products manufactured by an enterprise didn't affect the decision of implementing the ABC method.

Traditional systems based on production volume can accurately allocate the direct (prime) costs to manufactured products, executed work or provided services, but not overhead costs, because their corresponding consumption are not related to the physical production volume. Consequently, we may suggest to big, small and midsize enterprises an implementation of the activity-based costing system, because it registers very high overhead costs. The specialty studies done in the world show that there is no significant difference between users and non-users of ABC method with respect to cost structure. Manual labor and materials taken together form the highest proportion in the total costs for both groups of users. That leads to the conclusion that ABC method is used for other purposes than overhead costs allocation.

Competition increases the necessity of knowing and practicing precise costs and it might lead to the adoption of the activity-based costing system. However, it was found that enterprises which implemented the ABC method were not necessarily faced with a bigger competition than other enterprises which did not implement this method yet. That might indicate that ABC method is used for other purposes than for providing more precise costs.

The principles of enterprise reorganization in the textile industry

Any reorganization project will always start from an enterprise or an existing organization. By its nature, the enterprise represents a complex system which is centered on systemic principles. In the enterprise reorganization approach, according to systemic principles we will emphasize more aspects and at many levels. To catch the reality in an industrial context, reorganization approach will evolve as a process and, in consequence, it must be piloted. In another words, reorganization is defined as a process.

For making enterprise reorganization, specialty literature has identified six principles, which form the base of this process:

- the principle of interactivity and indefeasibility of the reorganization process;
- the principle of cyclicity of the reorganization process;
- the principle of hierarchical organization;
- the principle of modelling;
- the principle of successful managing;
- the principle of participative administration.

The principle of interactivity and indefeasibility of the organization process

According to this principle, reorganization is a process which is triggered by a behavior. The proposed reorganization approach isn't an independent ensemble of proceedings; on the contrary, it evolves in time, according to the context.

On the one hand, in the reorganization approach, it becomes interactive and interacts, becoming dynamical and following a specific pattern. On the other hand, the reorganization process is not prescriptive (it doesn't undergo an exact number of stages common to all of them). This principle acts on the selection and organization of the objective part, which is to be reached in the chosen context, in the sense that a certain process is divided into many sub-processes or stages.

The principle of cyclicity of the reorganization process

According to this principle, reorganization process is based on a spiral life cycle. This approach responds to a global cycle (finding-analysis-decision-reorganization-application) which repeats itself which underlies the Deming rule. It follows a cyclic (helical) nature of the approach, in opposition with the precedent linear organization methods. The analysis stage refers to the shaping of the existing one and reorganization stage, just like the conceptual elaboration of a new organization.

The principle of hierarchical organization

According to this principle, the reorganization process is made on levels. In order to master a complex system reorganization, we recommend the implementation of most stages in a hierarchical approach. Following the complexity of the organization system, the analysis and enterprise reorganization is achieved on detail levels. According to the expected reorganization objective, the studies can be defined as preliminary studies, detail studies, etc. But what does this *level of detail* represent?

The level of detail is a permanent abstraction level, which is focused at an angle provided by the complexity of the problem in question. For example, for an IT system, one can interfere:

- At the object level (data, documents, register card, etc.) the changes between treating modules of the data system, if we are interested in the object flow;
- At the entities and relations level, which describe the object structure, if we are interested in the diagram specification, the database concept of an IT system;
- At data structure level and relational table (derived from the conceptual diagram of the precedent level), if it is placed at the application level of database concept.

A system level is characterized according to detail angle or description system finesse and in consequence by the number of information considered for this system.

The principle of modelling

According to this principle, the reorganization process responds to four essential aspects of the enterprise. In the field literature, the following essential aspects are mentioned: organizational structure (organizational entities-decision centers and levels, competence centers, coordinating mechanisms); operational processes (control and objects flows); data and informational system processing; resources (human and technical), in particular

of competence and actors role. Defining the essential aspects considered in an enterprise study domain, starting from enterprise reorganization, represents the primordial stage of the reorganization process. These aspects identify the essential performance levers, which underlie our decisions.

Considering the four essential aspects of the enterprise, reorganization is no longer part of the analysis phase. It refers to all reorganization processes. It plays a part in: identifying all aspects for treating them, then studying the interactions and effects of changes of one or the other, during the whole reorganization process.

The principle of successful managing

According to this principle, the reorganization process represents the center of performance. Performance indicators play an essential role in "*judging*" the status of the reorganization system and pilotating the process and of the other organization systems all the more.

The reorganizations process is centered on performance, in the sense that the whole reorganization process must be oriented towards performance improvement, a significant aspect in defining objectives. Clearly, these are the indicators which express the relative performance of satisfying reorganization objectives. Moreover they help in studying the interactions between the considered aspects and the development of cause-effect relations between the drivers of those aspects. In the reorganization process, the performance notion is integrated at all levels. This integration is achieved in two ways: starting from applying the indicators and dashboard at diverse decision levels pursued by the enterprise, or by using joint indicators, which arise for controlling the evolution of the process and processes, for pilotating the reorganization process in a reactive manner.

The principle of participative administration

According to this principle, the reorganization process is managed in a participative manner. In the reorganization case, the whole process must be seen as a project to be followed, defining and representative. Its conduct must answer a project administration logic. The whole reorganization has to be thought and achieved in a participative manner, involving most employees as participants. The enterprise reorganization success is attributed to all employees, participants in this project. In this sense one should set up a synthesis group, which comanditates and pilotates the project, and an analysis group which achieved the reorganization. The group also includes users who participate in the reorganization as enterprise consultants.

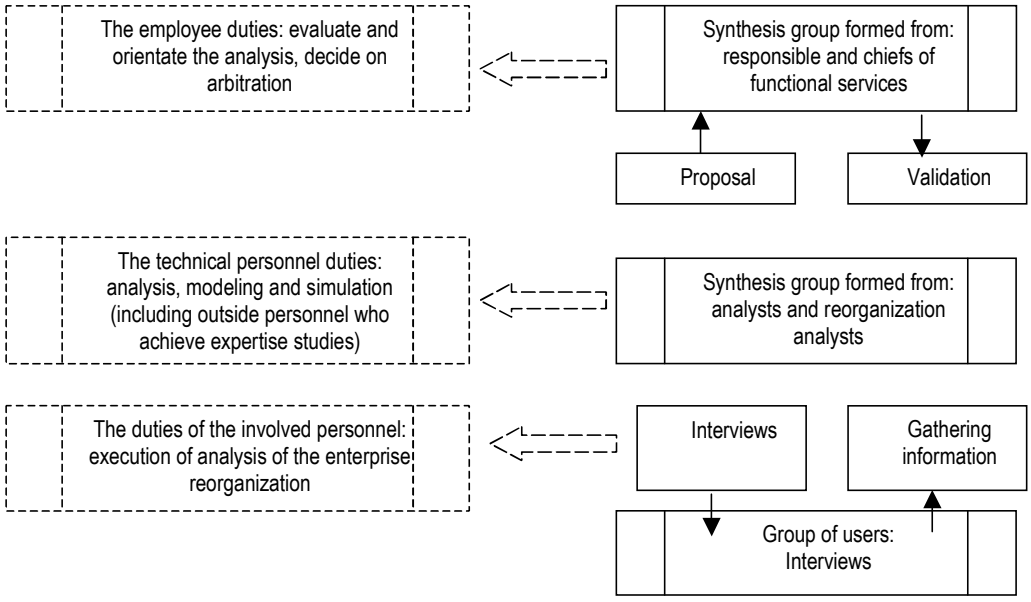

Figure 1. *Type of recommended organizational structure*

Traditionally and particularly, in the case of grand projects, it is recommended that the reorganization process should take place in three major phases, as follows (figure 2, bottom):

- The analysis phase which allows recreating a very precise connecting situation which is based on the existing situation. The purpose is formulating the problem, examining the disfunctionality causes and identifying the improvement opportunities;
- The conception – restructuring phase follows the extent of the improvements to be made. We propose a conceptual model of the reorganization system, in which we present a performance level better than the existing system;
- The new system implementation phase, the reorganization proper, according to any adjustment, if the examined performance levels are no longer expected from the first action.

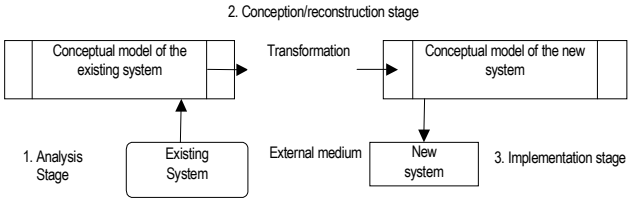

Figure 2. *The diagram of reorganization process according to phase division*

Transversal reorganization of the enterprise. Notion and organization facilities

For performance achievement, the enterprise management must consider two essential aspects, namely: *life cycle reduction* of the products, public work(s) or performed services and *widening the range offered to customers*. This leads to a flexible and evolving organization and on the other hand it increases the constraints for obtaining superior results. In other words, the most important stake in reaching superior performance is represented by the redefining of the enterprise organization way. To this purpose, it can be rightly said that the ABC method provides the background for adaptation to a type of flexible organization as the transversal one. The ABC method also inserts the notions of *transversal, processes and responsibilities* within the framework of the enterprise. These notions allow the visualization of all actions which contribute to reaching global performance of the enterprise.

The ABC method stimulates the enterprise in becoming competitive and reactive to customers needs, strategic segments obtained by the enterprise or existing tendency and desire of future orientation also anticipating any decisions to be taken in this way. From this point on, the textile enterprises are interested in proceeding a reorganization of their organizational structures, action which can become manifest in two ways: in one way, preparing and forming a new transversal, flexible organization mode, so called "target", which responds to market and environment needs of the customers; on the other hand, application of an improvement project, which facilitates the transition from the existing system to the transversal organization system.

The adoption of a new transversal organization mode can be regarded reluctantly, in its initial phase by the other departments or even the managerial team. After a coherent and very detailed analysis of advantages and disadvantages offered by the new transversal organization mode, one can move on to the next phase, to establish the activities to be performed and the principle application environment. The ABC approach will lead then to an established activities mapping, not only regarding their contents, but also their interactions with each other. We will thus obtain the target-organization applied to the enterprise level.

The enterprise is forced to know the contemplated changes and to interfere for reaching the transversal organization. Consequently, it will have to compare its real situation with the proposed one, an opportunity occasion to define and engage the corrected actions, which are then hierarchically ordered according to priorities. The ABC approach resorts to a permanent progress and a collective hypnopedia. The economic environment evolution is the one which determines its permanent organization and adoption. Otherwise, the performances obtained at department level belong to the employees involved in their sustaining. This permanent search for progress brings into question a transversal organization, which finds its place at a more vertical traditional personal responsibilities level of the whole enterprise organization.

The transversal carving of the enterprise follows finality and cooperation logic for describing the actions objective which is determined at internal organization level such as visions allows the achievement of a connection between the strategic objectives and their actions objectification, for responding to the next two questions:

What do we propose to achieve? Actually, at this question we must think of the *proposed objectives* and *the activities price which will be achieved*. Why do we achieve it? The enterprise produces and sells, applying the *strategic objectives* and *satisfaction of customers demands* within daily actions. These double interrogations correspond to a tendency of reduction the known activities which must be considered in ABC/ABM analyses in accordance with the whole coherence.

To achieve the enterprise transversal carving into activities, it is necessary to rally a big number of actions and operations, more or less important. What would be the identifiable levels of an enterprise? To answer this question, we must consider certain criteria used by specific enterprises. The levels are in general the following: process families, processes, activities and operations.

The methodology of the transversal organization of enterprises in the textile industry

Most of specialists in the domain are orienting towards a transversal organization of the enterprise carried out in 4 or 5 steps, naturally considering their specific. To achieve a transversal organization of an enterprise in the textile industry from our country, we have identified the following steps:

1. The conception of the transversal organization of the enterprise;

2. Making an analogy between the existing and the transversal organization;

3. The proposal of improvement measures of the structural organization of the enterprise;

4. The proposal and communication of the objectives;

5. Setting up activities and operations;

6. Assignment of responsibilities.

To cover each of these steps, one must elaborate different documents meant to facilitate a clear understanding of the transversal organization process. These documents are the following: the necessary resources list evaluated in hours

allocated to every activity, the deviation analysis evaluated in hours for every process, the transition from current organization to the transversal organization, the particularization through numerical symbolization of activities and operations, the assignment of responsibilities for activities and operations, the assignment of responsibilities for activities and operations with explanation of their level of competence.

1. The conception of the transversal organization of the enterprise

The objective of this phase is the presentation of forming a transversal organization that includes four main directions, centered the following manner:

1. The actions to be achieved refer to those operations evaluated in terms of time and levels of competence;

2. The necessary environments for the application of transversal organization, with particularization about target compartments;

3. The optimal concatenation possibilities of the processes and activities that arise from the achievement of transversal organization of the enterprise. Ideally one should try the determination of those organizations in which the processes and activities allow the proper adaptation to the specifics of every strategic segment. The following questions arise and their answers demonstrate its benefits:

a) Which activities and operations can be faced by the architecture of the transversal organizational of the enterprise?

The architecture of the transversal organization of the enterprise describes the most important strategic actions for the establishment of processes and operations. Here is the description of the actions in an operational and detailed manner, while the activities and processes reshape the operations according customer result logic. Another question arises from this:

b) Can the transversal organization of the enterprise identify the result for each customer?

The transversal organization identifies the result of every activity and operation, and so, it can also evaluate the interest which every activity presents for a customer. The objective of every activity is to produce a result necessary from a strategic point of view. Every operation belongs to an activity, a process and a family of processes. This concatenation facilitates the practical application of a transversal pilotation system and replacement of local actions into customer result logic. This thing describes the façade of an activity achievement.

c) But for what volume and in what cost conditions?

The transversal organization defines the application environments and considers two constraints: the quantities to be achieved and their costs.

d) What actors will be involved in the transversal organization of the enterprise and what will their competences be?

The transversal organization of the enterprise defines the quantitative staff needs for every activity and operation. They also provide a situation in qualitative terms thanks to the introduction of the notion of competence. The actor is described by means of the established actions and its vertical (hierarchical organization) and transversal responsibilities (processes organization).

e) Where is the action of transversal organization of the enterprise put into practice?

The transversal organization of the enterprise points out the necessary connections for the achievement of activities and due operations. They describe the connections where the responsibilities are practiced.

f) When will the actions of transversal organization of the enterprise become achievable?

The transversal organization of the enterprise defines (through the notions of frequency and capacity) the moment when actions can become workable. It makes sure that the enterprise is able to produce what was determined on strategic plan, considering the resources that are available (human, machines, information environment, etc.).

4. The elaboration of necessary resources for a process, according to the transversal organization of the enterprise.

This list permits the allocation of resources equivalent in hour volume, considering the budget situation. So, according to the example from table 1, the allocation of resources upon standard times is achieved according to the volume of order lines, references on articles or customers and scheduled delivery lines, which are the main factors of resources consumption of activities. This presentation shows the technical and managerial competence level necessary for practicing these operations.

The list of necessary resources evaluated in hours pertaining to "orders treatment" activity

Table 1

Orders treatment Activities and corresponding operations	Competence level		Necessary time (hours)
	Technical	Managerial	
Instrumentation of customers orders			*40*
- applying the negotiated conditions for the invoiced orders	2	1	15
- registering the orders into database of the enterprise	2	1	15
- editing, controlling and delivering of the complains pertaining to the orders	3	1	10
Pursuing the application of commercial conditions			*60*
- pursuing the permanent problems of customers/products	3	2	35
- considering the daily particular conditions	3	2	15
- pursuing the financial situation of the customers and defining future ones	3	3	10
Pursuing the orders at internal level			*30*
- treating the relative calls pertaining to the customer order	3	2	15
- treating the subsequent events from/and their registering	3	2	15
Invoice and recuperation			*30*
- verifying the delivery checks	2	2	20
- invoice starting	3	2	10
Total			*160*

Here is an example of (technical and managerial) competences on levels used or usable in a textile enterprise:

a) technical competences:

Level 1 – accomplishment of a unique action;

Level 2 – accomplishment of an ensemble of actions;

Level 3 – accomplishment and coordination of ensemble of actions;

Level 4 – coordination of an ensemble of long term actions;

Level 5 – coordination of an ensemble of short term actions;

b) managerial competences on levels:

Level 1 – putting actions into practice;

Level 2 – supervision of the jobs;

Level 3 – the team leadership;

Level 4 – the leadership of a profit or responsibility centre;

Level 5 – the management of a centre (units/investment centers).

From this presentation, we can conclude the following:

- The technical competences indicate a progressive growth with the level changing;
- The same growth tendency is manifesting within managerial competences.

The data registration in table 1 permits the comparison of necessary competences with the ones affected in reality, on activities and operations (table 6). The objective consists in identifying the optimal necessary resources and its allocation in a more precise manner. These situations can be correlated from the point of view of the hour volume and from the responsibility assignment point of view.

2. Making an analogy between the existing and the transversal organization

The objective of this first phase can be achieved through actions that are based on two directions namely:

- The analysis of possible deviation between the real situation ascertained in practice and the transversal organization situation of the enterprise;
- The identification of the main axes of disfunctionality or non-performance that clarifies the decision making of an organization in the following directions: the very nature of the accomplished action, the application environments, concatenation of actions.

So, starting from the data presented in tables 1 and 6, we can determine the list of surplus or insufficient for every resources operation and activity hour equivalent, as shown in the following situation:

The deviations analysis evaluated in hours pertaining the "orders treatment" process

Table 2

Orders treatment Activities and corresponding operations	Necessary time hours (1)	Allocated time hours (2)	Deviations (3)=(1)-(2)
Instrumentation of customers orders	40	45	- 5
- applying the negotiated conditions for the invoiced orders	15	20	- 5
- registering the orders into database of the enterprise	15	20	- 5
- editing, controlling and delivering of the complains pertaining to the orders	10	5	+ 5
Pursuing the application of commercial conditions	60	65	- 5
- pursuing the permanent problems of customers/products	35	40	- 5
- considering the daily particular conditions	15	20	- 5
- pursuing the financial situation of the customers and defining future ones	10	5	+ 5
Pursuing the orders at internal level	30	30	0
- treating the relative calls pertaining to the customer order	15	15	0
- treating the subsequent events from/and their registering	15	15	0
Invoice and recuperation	30	35	- 5
- verifying the delivery checks	20	25	- 5
- invoice starting	10	10	0
Total	160	175	- 15

Under these circumstances, considering the retained objectives, it is obvious that the allocated resources on the two activities are insufficient (according to the negative deviations). Also, we can establish the list of operations and activities practiced by the responsible personnel, having levels of technical and managerial competences inferior or superior to the necessary competence level.

The next table proposes a model of document elaborated by us for this phase, including all the necessary questions for concluding on aspects meant to facilitate the understanding of the transition process from the current organization of the enterprise (hierarchical, horizontal) to the transversal organization.

The transition from current to the transversal organization

Table 3

Explanations	Current organization	Transversal organization	Improvement actions
Activity: what?	.....	.....	.....
Actors: who?	.....	.....	.....
Geographical location: where?	.....	.....	.....
Frequency: when?	.....	.....	.....
Value for the customers or result: why?	.....	.....	.....
Activity-included operations: how? why?	.....	.....	.....
Consumed resources (costs): what quantity? How much?	.....	.....	.....

3. The proposal of improvement measures of the structural organization of the enterprise

The purpose of this phase is to analyze the enterprise activity under two aspects: the normal and the non-normal activity. For showing the normal activity and for dividing the enterprise into processes and activities, we must find the answer to the following question: *For what expected value must we organize our enterprise?*

From organizational angle, all improvements must correspond to visible results from the customer's point of view, level at which the enterprise could communicate with the customer. Considering the expected customer's value, we propose the classification of the enterprise activities in two big categories:

1. Activities (and operations) at normal value for the customer. For example, within activity called "new product validation" (according to table 5) the operation called "product testing" it is important, because the enterprise can use data for a better attending on the customers. These activities can also be defined as "visible" activities.

2. Activities (and operations) without normal value, which are hidden from the eyes of the customers. For example, within the activity called "the prototype accomplishment" (according to table 5), the operation called "the accomplishment programming" is purely internal, action that isn't performed as a consequence of direct consistency, for the customer. These activities can also be defined as "hidden" activities.

The enterprise activities grouped according to the two characteristics allow the orientation of the actions as follows:

- Activities and operations at normal value that can be accomplished better than the competition. The enterprise must invest in these domains and communicate for obtaining a maximal value.
- Activities and operations that support normal value that must be kept and optimized in cost and efficiency, but the manner in which are exerted, presents no interest for the customer.
- Reduced activities and operations without normal value and the desire to be eliminated.

The resources allocate to these activities can be reassigned to activities with normal value.

The second aspect, non-normal aspect is so delicate, considering the fact that a part of normal activities must be eliminated. After considering the value created activities for the customer, the analysis of activities allow the identification of activities without a value that can be eliminated. The activity elimination cost it is calculated with ABC approach (Activity-Based Costing). It can be compared with the global cost of an external performer. The cost presupposes adding to this value of coordination activity the cost of the performer. The entire action circuit that is to be performed by the enterprise, considering the activities structure modality, can be represented as follows:

Type of activity	Activity level	
	Normal	Non-normal
	Undertaking actions	Undertaking actions
1. Activity with normal value	Investment achievement	The analysis of activities that can be eliminated
2. Activity without normal value	Cost and efficacy optimization Activity elimination	Activities elimination cost calculation Activity elimination

4. The proposal and communication of the objectives

The aim of this phase is the placement of the transversal organization mode of the enterprise according to the performances, under three aspects:

1. The evolution of economic environment. Here we are, considering the following:

- studying the consequences of the evolution of the economic and enterprise environment on its organization;
- detailing enterprise reorganization objectives and proving the way in which these objectives become a determinative stake of performance.

2. Defining the possible organization ways. Here we are, considering the following:

- detailing different aspects of defining the enterprise organization modes (hierarchical, matrix, transversal, etc.).
- bringing forth the dynamic aspect and appraisal of the organization mode of the enterprise according to responsibilities.

3. Setting up the functional office, called "performance". Among these objectives, we can mention:

- defining the basic elements that are making up performance;
- detailing the connections that exist between the organization mode of the enterprise and performance;
- demonstrating the necessity of a transversal vision of the enterprise for responding to customer's demands;
- demonstrating the transversal organization mode as an important stake of the performance;
- determination of performances through calculated indicators.

5. Setting up activities and operations

If an enterprise interferes on more strategic segments, in the elaboration of the process list, it should consider the specific activities of a strategic segment and on the other hand, the activities common to all strategic segments. Here interfere the key success factors, whose role is very important.

The key success factors for a strategic segment allow determination of requested competences for their application, facilitating the defining of processes list and specific activities for a strategic segment. Here is an example:

The list of specific processes and activities of a strategic segment

Table 4

Processes	Activities			
Commercialization by wholesale	Defining and application of commercial policies	Prospecting	Pursuing wholesale customers	Offers reception
Commercialization by specialized distribution	Defining and application of commercial policies	Treatment of references	Customer pursuing by specialized distribution	
Orders treatment	Elaboration and registering of orders	Pursuing internal orders	Invoice and recuperation	Allowances reception at the end of the year

This list can be detailed by presenting the operations specific to activities, each activity and operation getting new specific digital symbolization. For example, the process of "new product conception" is detailed into activities and operations as follows:

Detailing by digital symbolization of activities and operations

Table 5

Process no. 12 „New products conception"					
Activities	121 outgo's note book conceiving	122 prototype making	123 technical documentation guarantee	124 defining industrial process	125 new product validation
Operations	1211 product defining according to needs	1221 achievement programming	1231 defining operation modes	1241 studying investments	1251 product testing
	1212 ensuring technological needs	1222 prototype fabrication	1232 achievement of technical file	1242 profitability pre-studying	1252 technical and commercial validation
	1213 ensuring the market needs	1223 design studying	1233 establishment of outgo's note book		

The ABM model (Activity-Based Management) requires a higher activity level than the ABC model (Activity-Based Costing). Indeed, an ABC production cost approach is attached to activities costs without the need for constructing a complex model. In exchange, the improvement of transversal organization of the enterprise with the ABM model leads to action analysis and its concatenation, since they require a much more elaborated description of the activities.

6. Assignment of responsibilities

After the carving of the transversal organization of the enterprise, we must place the personnel within this new organization type, because it represents "the resources" that underlies every action. Of course, all employees will be positioned in the usual vertical plan (depending on hierarchical lines!), but before that, one should consider their role within each activity. Before the assignment of responsibilities (on personnel), we should know *what the actors (employees) represent and what are the elements that underlie their qualification.*

The employees are the persons or the group of homogeneous persons according to their role and technical, managerial competence. The main elements for identifying and qualifying the employees are the following:

- Quantity – indicates the number of employees involved in each activity;
- Name – the employee is identified through his name;
- Position – the qualification aim of each employee according to his domain of competence and responsibility;
- Performance level – a technical competence and managerial competence is attributed to the employee.

It is very important to identify the allocated resources, the employees on operations and activities, which allows us to know the resources consumed by the activities within the processes. Starting from the elaborated situation in table 1, we can construct a new situation hereupon to add the persons involved in the operations and activities. Here is an example of the resources allocated on hour-person for the "orders treatment" activity:

Assignment of responsibilities according to activities and operations

Table 6

Orders treatment	Mr. Georgescu Vasile	Mr. Irimia Gheorghe	Mrs. Ileana Dumitrescu	Total
Instrumentation of customers orders	20	15	5	40
Applying the negotiated conditions pertaining to the invoiced orders	7	8	0	15
Registering the orders into the database of the enterprise	6	7	2	15
Editing, controlling and delivering of the complains pertaining to the orders	7	0	3	10
Pursuing the application of commercial conditions	15	20	25	60
Pursuing the permanent problems of customers/products	12	18	5	35
Measuring the daily particular conditions	3	0	12	15
Pursuing the financial situation of the customers and risk definition	0	2	8	10
Pursuing the orders at internal level	8	12	10	30
Treating the relative calls pertaining to the customer order	7	6	2	15
Treating the subsequent events from/and it registering	1	6	8	15
Invoice and recuperation	12	15	3	30
Verifying the delivery checks	9	10	1	20
Invoice starting	3	5	2	10
Total	55	62	43	160

This type of document allows the measurement of allocated resources level according to the volume activities and operations to accomplish. For example, the allocated resource from "orders treatment" can be compared with the volume measured by the number of order lines. In truth-like mode, these affected resources vary according to the registered order line numbers. A much more complex situation can be conceived through annexing data from table 2, table no 1 and table 6, taking the next shape:

Determination of deviation activities and corresponding operations according to people in charge

Table 7

Responsible: / Orders treatment / Activities and corresponding operations	Mr. Georgescu Vasile – Competence level: Technical	Mr. Georgescu Vasile – Competence level: Managerial	Necessary times hours (1)	Allocated times hours (2)	Deviations (3)=(1)-(2)
Instrumentation of customer orders	*7*	*3*	18	20	*- 2*
- Applying the negotiated conditions pertaining to the invoiced orders	2	1	6	7	- 1
- Registering the orders into the database of the enterprise	2	1	6	6	0
- Editing, controlling and delivering of the complains pertaining to the orders	3	1	6	7	- 1
Pursuing the application of commercial conditions	*9*	*7*	16	15	*+ 1*
- Pursuing the permanent problems of customers/products	3	2	10	12	- 2
- Measuring the daily particular conditions	3	2	4	3	+ 1
- Pursuing the financial situation of the customers and defining the future ones	3	3	2	0	+2
Pursuing the orders at internal level	*6*	*4*	6	8	*- 2*
- Treating the relative calls pertaining to the customer order	3	2	4	7	- 3
- Treating the subsequent events from/and it registering	3	2	2	1	+ 1
Invoice and recuperation	*5*	*4*	11	12	*- 1*
- Verifying the delivery checks	2	2	*8*	*9*	- 1
- Invoice starting	3	2	3	3	0
Total	-	-	*51*	*55*	*- 4*

In conclusion, the proposed approach allows a fine analysis regarding the major stakes of the enterprise. It is perfectly possible to achieve these phases on ensemble or just in a certain part of the activities and processes within small and midsized enterprises. Everything depends on priorities and application environments, which they are meant.

This approach can also be progressive, including the ensemble of the enterprise in successive phases. The basic idea remains however present during the entire organizational process: *we must obtain the necessary changes for the achievement modes, for a better allocation of available resources.* Then we can talk about an optimal process of the guided resources according to strategic options.

References

Căpușneanu, S. (2006). *Contabilitate de gestiune. Studii aplicative și teste-grilă*, Editura Economică, București

Căpușneanu, S. (2005). Referat doctorat cu tema „Posibilități de aplicare a metodei de calculație a costurilor de proces în industria textilă", ASE, București

Ebbeken, K., Possler, L., Ristea, M. (2000). *Calculația și managementul costurilor*, Editura Teora, București

Liggett, H. R., Trevino, J., Lavelle, J.P. (1992). *Activity-Based Cost Management Systems in an Advanced Manufacturing Environment - Economic and Financial Justification of Advanced Manufacturing Technologies*, H. R. Parsaei, (Ed.) (New York: Elsevier Science Publishers)

Ravignon, L., Bescos, P.L., Joalland, M., Le Bourgeois, S., Maléjac A. (2003). *Méthode ABC/ABM*, Editura d'Organisation, Paris