

THE ECONOMY OF THE USA VS. THE ECONOMY OF JAPAN

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Abstract: *In this paper, I have tried to give a theoretical approach to The economy of developed countries: USA VS JAPAN. The economy in developed countries is sustained by high average incomes per person and the percentage of citizens living in poverty is very low; a powerful and technologically advanced industry; a high level of life, which is reflected in the development of infrastructures and in the quantity and quality of health, educational, cultural services, and so on and so forth. In addition, a good part of the population maintains a high level of consumption.*

Keywords: economy; USA; JAPAN; economy grew.

I. INTRODUCTION

At present, there are three criteria to determine the category of a developed country: the production generated per person; the purchasing power of monetary income in each country; the quality of life. Therefore, the developed countries have the states that reach the highest levels of production and purchasing power per person, as well as the best quality of life. They are part of the developed countries, countries from Western Europe, the United States, Canada, Australia, Japan and some Arab countries. Developed countries usually have a liberal capitalism and one life under democracy.

The economy is a social science that studies the processes of extraction, production, exchange, distribution, and consumption of goods and services; the word economy comes from the Latin *oeconomia*, and this in turn from the Greek *οικονομία* (economy), which is derived from the union of the Greek terms *οἶκος* (*oikos*), meaning 'house', *νόμος* (*nomos*), 'norm'. [8]

The concept of economy encompasses the notion of how societies use scarce resources to produce goods with value, and how they make the distribution of goods between individuals; the scarcity of resources suggests the idea that material resources are limited, and it is not possible to produce an infinite quantity of goods, considering that human desires and needs are unlimited and insatiable.

The science of economics tries to explain the functioning of economic systems and relations with economic agents (companies or individuals), reflecting on existing problems and proposing solutions. Thus, the investigation of the main economic problems and decision making are based on four fundamental questions about the production: what to produce ? When to produce ? How much to produce? For whom to produce?

In Economics, two main branches are distinguished: microeconomics and

macroeconomics. Microeconomics studies the different forms of behavior in the individual decisions of economic agents (companies, employees, and consumers), while macroeconomics analyzes microeconomic processes, observing the economy as a whole and with aggregate variables (total production, inflation rates, unemployment, salaries, etc.). As a mixed economy, we know the economic system that combines elements of the planned or directed economy, which obeys the objectives and limits imposed by the State, and the free market economy. Likewise, it is also called the economic model in which the private property of capitalism and the collective property of socialism coexist.

The concept of political economy emerged in the seventeenth century to refer to the relations of production between the three main social classes of the moment: bourgeois, landowners, and proletarians. Unlike the economic theory of physics, according to which the earth is the origin of wealth, political economy proposed that, in reality, labor was the real source of value, from which the theory of value- job.

The concept of political economy was put aside in the nineteenth century, replaced by economics, which privileged a mathematical approach. Nowadays, the term political economy is used in interdisciplinary studies whose objective is the analysis of how politics influences market behavior. As a submerged economy we know all that economic activity that is practiced outside of legal and tax controls. It includes from activities not declared to the treasury to illegal and criminal economic activities, such as arms or drug trafficking, or money laundering. Because they are economic activities carried out outside the law, they do not appear in the fiscal or statistical records of the State. [9]

The informal economy includes all economic activities, exchange of goods and services, which are hidden to evade taxes or administrative controls. Like the underground economy, it is part of the underground economy. Some common examples of the informal economy are domestic work or street selling. In all countries of the world, to a greater or lesser extent, there is an informal economy, despite the fact that this will

cause serious economic damage to the Treasury. As an underground economy, also known as a black market, it is designated that which is constituted by the exchange of goods, products or services in a clandestine or illegal manner. As such, it is not subject to any legal regulation, so it usually violates the pricing or legal provisions that have been imposed by the government for a trade of such effects.

II. THE ECONOMY OF USA

Everyone knows that if you have enough money and economic means, despite the many vulnerabilities that wealth generates, you can have the necessary security. [3] The fact that security has an economic dimension is already a truism. In other words, although vulnerabilities are directly proportional to the value and social impact of wealth, and security is directly proportional to economic and financial strength. Insecurity is directly proportional to poverty, to the impotence, to the difficulties of living, to life. A man who has a job and earns good money, can buy a house, can set up a family, can provide a minimum of conditions for living peacefully, in peace, security, at least, in relation to a another man who does not have this opportunity, who does not have a job, a home, a safe place for tomorrow. The fact that, annually, people die of hunger or malnutrition, 45 million people to be precise is a reality of the insecurity generated by poverty and the immense disparities between the rich and prosperous world and the poor and miserable world. Therefore, the economic dimension of security is necessary and obvious. Always, economic power generates security, and poverty creates insecurity and anxiety. But security is not just a system of protection against villains, and insecurity is not reduced to the lack of such a system of protection. Security is an important function of system and process, a condition of systems functioning and the maintenance of a dynamic balance necessary for cohabitation in a complex, always changing, tensioned, competitive environment, with complicated and, most of the time, unpredictable developments. A distinction must be made between economic security and the

economic dimension of security. The first concept relates to the functioning of an economy, the economic security of the individual, the family, the community, the state, the financial and economic condition of life, the second is the functioning of the social and political systems, the state, public institutions, and international, alliances and coalitions, etc. [5]

Economic security, in its essence, aims to ensure the conditions for maintaining economic activity in normal parameters and counteracting many types of attacks, the most important of which are the following: financial frauds, strategic dependencies, cybercrime, industrial espionage, corruption, underground economy. At the same time, we can speak of the economic security of the territory, understood as a system of protection of resources, markets, enterprises, jobs, and so on and so forth.

Economic security can also be spelled out in terms of preserving national strategic assets, for instance, strategic sectors such as critical infrastructures, energy, military and information technology. Also, we can include here demographics, natural resources, educational resources, and so on and so forth. Some states, however, are less concerned with such a protectionist type of economic security, in a neo-liberal vision that goes beyond acceptable limits, while others have not given up an instant - and have no intention of giving up - to their economic security levers in the sense of protecting, defending and securing critical economic infrastructures, their own businesses, resources, and markets, etc.

The economic dimension of security results from the fact that without a modern and strong economy there is no, and there can not really be safety, prosperity, and stability, either at the level of the individual and the family, at the level of the state or at the level of mankind. [2]

Security and defense are part of those components that put into operation ways to fulfill the vital interests of states and communities. Neo-liberal currents in the economy and in the political life of some of the states do not spoil or fail to break down or significantly diminish the security and defense concepts. Even in those countries where the philosophy of the market economy, ie the non-

obstruction of the action of economic factors on the economic dynamics, the economic security measures, the protection and defense of the interests of enterprises, of the national interests, are most drastic. [1]

III. The economy of Japan

An economically strong state is a stable state that allows for political and strategic initiatives that will always be listened to and respected. This is the case for Japan, which basically has almost no natural resources (90% of the raw material is imported), Switzerland, located in an area without resources, but also of other countries. So the economic dimension of security is a synergic and essential one, as it gathers around it and integrates all other dimensions - human, cultural, social, informational and military - into the same concept of power, giving them strength and consistency.

Among the main characteristics of the economic dimension of security and defense, the following can be taken into account: it is a factor generating material and financial resources; is a support for all types of security (economic, financial, individual, collective, institutions, state, etc.); is a dissuasive, intrinsic and indirect security factor; it forms an architecture, albeit stable, in its structure of resistance, dynamic and complex in its evolution; is a powerful globalization factor (alongside information), which in the future will probably alleviate the conflicts between states, generating other types of relationships; is the basic support for strategic partnerships, alliances and coalitions; is increasingly moving from the main financial and financial support of the rule of law into a new configuration, that of supporting the cooperation between the states of law and the improvement of the relations between them. All these characteristics, to which others can be added, show that the economy, without diminishing its role of power, of generating and supporting the power of the state and the army, a vital resource for the defense potential, goes to a new dimension, that of internationalization and globalization of power carriers. Of course, the mechanism by which the economy "escapes" from the political pressure of states or through which it expresses and

materializes is still questionable. For now, this internationalization is discontinuous and fractal, but there is already a not-so-reconfiguration of the new pillars and new power areas. [6]

The economic dimension of security is, in fact, an extension of economic security to other areas, it is potential and potential security. Economic security is also a function of the system, therefore, intrinsic to the system, and of a meta-system, ie process, in the sense that, in order to function, an economy needs a set of parameters of dynamics, safety, protection and stability which are acquired both through its immune system (system function) and by the creation of micro-devices of economic and social security, a function that belongs both to the economic hierarchy, ie to the bases generating the enterprise, and to the economic securing structures created in such as the fight against economic espionage, economic terrorism, financial fraud, the underground economy, economic crime, etc.

Thus, the economic dimension of security consists of a system of interdependencies that generates potential, safety and stability, in systems that interdepend on the security space, self-regenerates and together configures a dynamic and complex system that is associated with architectures with complex developments in all possible security dimensions.

In this way, the economic dimension of security, as well as economic security itself, has not only a linear determination, as the economy is more efficient, the more secure the security, but the nonlinear, dynamic and complex one, in the sense that the determinations are inter-conditioned and generates a security space that is suited to situations that are hardly detectable and predictable that closely resemble the frequency hopping system used for security of information transmitted through radio stations in communication systems. Removing the economic dimension of security from linearity is an action of strategic importance. The unpredictability of the architectures, actions, and reactions of the security systems is equally important, if not even more important, than the unpredictability of the defense or offensive in the armed struggle. It also leads to the realization, in the security plan of any kind, of the strategic surprise,

as virtually all the evolutions within what we call economic war, in fact, a complex always like the bifurcations of endless and unpredictable battles, markets, resources, power, and influence.

The Japanese work ethic would persist; along with the high savings rates and the slow growth of its population would give it a substantial advantage in the intensity of capital - and, therefore, in the productivity of labor - in addition to the advantages it could develop throughout the country in terms of the total productivity of its factors. In addition, its proximity to a large pool of low-cost workers would allow Japan to build a regional division of labor that makes the most of its well-paid and educated workforce and outsources tasks of low complexity and low wages-that is, jobs with low productivity - to continental Asia.

When Japan equaled, and perhaps surpassed, the North Atlantic in terms of capital intensity, industrial knowledge and standard of living, the best-rewarded activities in the global economy - research and development in high-tech industries, fashion for wealthy consumers, high finance and corporate control-would migrate more and more to Tokyo Bay. [7]

With a third of the population of the United States, it was unlikely that Japan would become the most important economic superpower in the world. But Japan would close the 30% gap (adjusted for purchasing power parity) between its GDP per capita and that of the United States. It was considered very likely that by 2016 the Japanese GDP per capita would be 10% higher than the US (in terms of purchasing power parity). None of that happened. The current Japanese economy is approximately 40% lower than what the analysts so confidently predicted in the late 1980s. 70% of the Japanese per capita GDP in terms of the US that had been reached at that time was its maximum mark. The level of relative productivity for the whole country has declined since then and two decades of unrest have removed the pressures to improve agriculture, distribution and other services.

Japan's export-oriented manufacturing industries have maintained their advantage but failed to attract other cutting-edge activities - in fashion, finance or corporate control - significantly. Japan is not a poor country today. But its economic

structure and level of prosperity make it more similar to Italy than to its eastern counterparts in the Pacific Rim: the US coastal states of Washington, Oregon, and California.

Seven years ago, before the global financial crisis, the overwhelming consensus among economists was that, in retrospect, the charts did not show the expected convergence in Japan's productivity levels with those of the Pacific coast of the United States. Japanese culture produced huge blockages to the employment of half of its population: women. And Japanese policy consolidated rural interests and small businesses in a way that prevented the spread of export-oriented manufacturing. [11]

Japan, it was said, was too different in too many things from the North Atlantic to serve as a model of economic development. And the export-oriented manufacturing companies that had been stimulated and guided by the Ministry of International Trade and Industry were not the nucleus around which the rest of the Japanese economy would crystallize, but a separate and walled territory. It was largely a coincidence that such a reduction in growth coincided with the collapse of the asset bubble and the cyclical downturn, which led to a reduction of the Japanese output of approximately 10% in a few years, followed by a slow recovery towards a new and lower potential growth rate. [4]

IV. CONCLUSION

In 2017, the world economy grew by 3.7%, 0.5 percentage points (pp) more than in 2016 and three tenths higher than expected at the beginning of the year by the IMF. This greater dynamism of global activity was observed both in the developed economies, where GDP growth increased by six tenths (from 1.7% to 2.3%), and in the emerging economies, where there was a rebound (from 4.4% to 4.7%), supported by the resistance of the Asian economies -including China, which increased its growth- and the exit from the recession of some countries. The tone of economic policies remained expansive, despite the normalization of monetary

policy in the United States and its beginning in the United Kingdom.

Investors kept moving in a profitable search environment and high appetite for risk, which materialized in continuous rises in the prices of numerous financial assets and in a very low volatility, which reached minimums at the end of 2017. The main one's Stock indexes, both in developed and emerging economies, increased and exceeded their historical highs in some cases, such as in the United States; the sovereign debt spreads of emerging economies and those of corporate debt with a worse credit rating were further compressed; and there were important capital inflows into emerging economies. The dollar depreciated against most currencies, especially those of those countries with which the United States maintains a greater trade deficit. Slack financial conditions contributed to an almost generalized improvement in the confidence of households and companies, and to the rebound in investment, employment, and trade.

In February 2018 there was an abrupt increase in volatility as measured by the VIX (implied volatility index on the S & P), following the publication of salary growth data in the United States above the expected. This episode caused important stock market declines in most of the economies, moderate increases in the long-term interest rates of the public debt and slowed the weakening of the dollar. However, it did not affect the risk premiums or the general tone of the financial conditions.

The increase in global demand in 2017 was noticeable in the prices of raw materials, which experienced an average increase of 6.5% during the year.

The price of metals rose by 25%, also supported by some supply restrictions, more than offsetting the moderating impact of good harvests on the price of food. For its part, the price of a barrel of Brent oil increased by 21% in the year as a whole, although with a different evolution along this: initially, the price decreased from 55 dollars/barrel to 45, since the increase of the American shale oil offer compensated for the OPEC cuts agreed with other producers; however, as of summer, prices were oriented upwards, increasing more than 30%, to exceed 70 dollars/barrel at the

beginning of 2020. This increase was the consequence of the fact that the increase in demand was added to the increase in production cuts by OPEC and other producing countries until the end of 2018, and some tensions on the supply side; the futures markets discount prices similar to the current ones. Although the rebound in commodities led to a certain increase in headline inflation in advanced economies, the absence of inflationary pressures remained the norm on a global scale.

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LEAN PRINCIPLES

Abstract: *Research on such complex interventions requires special methods and research designs . Currently, case study designs are the most frequently used. While this design can provide useful insights, it has serious limitations regarding generalizability and inter-subjectivity. Along with the other methodological issues surrounding the evaluation of lean thinking, which we mentioned in the introduction, it is safe to say that not only more research, but also higher quality research is needed. At this time, to state that 'the lean message is 100% positive' seems a bit of a stretch. Research has also highlighted other factors that are influencing the move towards systems managing the total marketing operation. From a workload point of view BTL marketing creates significant demands on the department. Instead of completing say one advert in a national paper BTL may require five individual adverts in specific interest magazines supported by five tailored mailshots that will be different to reflect the particular interests of the prospective customers. Although the budgets for BTL have grown, very few companies have budgeted for increases in staff (based on responses to PIPC survey), or for the significant extra costs which BTL will incur (eg print runs for different brochures will be smaller so printing costs will rise). So many departments struggle to find ways to absorb the work and costs. It is an accepted truth that Below The Line marketing (BTL) delivering personalized messages directed at specific sectors of the market is the most effective way to communicate with the required audience.*

Keywords: lean principles: lean management; customer demand.

I. Introduction in lean management

Lean management could serve as a facilitator of instigating greater co-operation and alignment in the design, development and implementation, both intra-organizationally and on a supply chain level, of more environmentally friendly processes and products. The purpose of the present thesis is to uncover any possible synergies and interrelations in terms of adding value to companies between Corporate Social Responsibility/Sustainability and Lean. In this sense, the objective is placed upon unveiling the strategic character and the reinforcing and supportive role of both concepts (Lean and Corporate Social Responsibility) into becoming more economically justified and efficient, offering benefits in terms of cost savings and economic effectiveness. In this sense, the following lines serve as a means of providing a developmental account and a thorough understanding of the current reality concerning the two concepts. In order to objectify and concretize the rather vague notion of value and provide a comprehensive yet elaborate understanding of the contribution of Lean to strategic advantage, we have framed the realization of value capture and appropriation through the competitive positioning framework.

Therefore it entails increased potential to provide tangible research results which can advance academic inquiry.

Lean operating system concepts have been around for a long time. While frequently using different names, the fundamental concepts of Lean have been the subject of many industry and trade publications for many years . Many manufactures are therefore very well read about the theories of

the Lean operating system. They understand the Lean concepts and the potential benefits to their companies . Eliminating waste is also nothing new. Just the idea of eliminating non-value- adding waste makes common sense. Most manufactureers have been trying to eliminate waste and make their operations as efficient as possible since the first day they opened their doors.

II. MAIN CONCEPTS

In order to implement the demand phase successfully, the core implementation must:

Understand customer demand. It is need to spend the time upfront to understand customer demand troughly. It is the foundation upon which you lean system will be built. If your customer is another functional area, you must work with them until you know their sequences. Collecting accurate data is important. Determining customer demand for administration may be difficult, but it can be done. (Hobbs, 2011)

Don't attempt to micro-design the future state in this phase. You will not need to identify specific action items to implement this phase of the future state.

Be flexible: Tracking customer demand in the office may require constant adjustments in your plans for the future state . It is need to be flexible , not hold too tightly to any one set of ideas as being is a process of evolution. As people learn and grow, they will take more responsibility and make better decisions.

Create a plan that the whole team can agree on.

One of the best ways to make sure a plan will work in to get rapid buy-in . The team should fallow these few guidelines to make sure they agree on the plan:

- Restate the original problem and review the current-state map, as well as others discussed but not posted - and the reason why. (Tapping, 2003)
- Review problem -solving projects listed.
- Make final changes.
- Get buy-in from anyone.

In terms of lean manufacturing, anything that does not directly add value to the product is inefficient (waste). To make it more clear what is considered as wasteful, we have to explain what the term value means. Valuable work is the work that the customer really thinks is worth paying for (the product). In every particular operation there is an element which is value-creating. Actually, only this element we can call work, and everything else is called motion. In its nature, motion is considered to be wasteful. Every part that is not being worked on is a sign of inefficiency. Toyota has basically split the waste into seven types: overproduction, operators waiting, excess transport, overprocessing parts, unnecessary inventory, unnecessary operator motions and defects. The concept of lean brings up new needs. In order to achieve these needs, a company has to establish new strategy. In order to improve current performance it usually has to redesign elements of its production system. Lean manufacturing approach offers tools for reduction of waste of resources.

III. THINKING

In 1983, Showa Manufacturing, a maker of radiations and boilers, celebrated a one hundred anniversary. The firm had been steadily successful in the Japanese market and in the 1960s had even been chosen to build a new heating system for the imperial palace in Tokyo. However, the world changed after the second oil shock in 1979, and Showa started to struggle. Demand for its industrial products slumped as Japanese firms cut back expansion plans and considered more modern concepts in heating. Equally ominous, the cost structure at Showa, with its traditional Japanese commitment, and its 750 core employees, seemed to be stuck. Showa's initial response was typical of Japanese firms in these circumstances. To raise the cash to avoid layoffs it sold the valuable real estate under its center city offices and main plant and began relocating its production facilities to cheaper but more modern sites nearby in hopes of gaining efficiencies. It also diversified into ornamental castings for bridge railings and began to implement a plan for exporting its cast-iron boilers to America to take advantage of the weak yen.

When Showa's original office and manufacturing complex in crowded Fukuoka City was fully relocated in 1983 to new plants in suburban Umi and Koga, the management expected its fortune to change. Instead, the decline continued. The production system in the new plants was in fact the same as the old. Processes for casting, cleaning, stamping, welding, painting and assembly were run in the batch mode with long intervals between tool changes. This practice created mountains of parts of which were then taken to central stores before reshipment to the next processing step. Orders took months to work their way through the system, as chased by expeditors with hot lists. (It was the familiar word of every firm we've looked at before the advent of lean thinking). In addition, the cost of starting exports was high and the diversification into ornamental castings pitted Showa against larger firms with established reputation in the building trades.

By 1995, Showa was finally reaping the full rewards of its conversion to lean principles driven by a lean strategy. Showa quickly improved its productivity and reduced its space needs and inventory after 1984. These steps stemmed the company-threatening inventories after 1984. These steps stemmed company-threatening losses and bought vital time to consider what to do next (just like similar steps at Pratt & Whitney and Porsche), yet as of 1991 the firm was still not making an adequate return because it was selling products into declining markets.

As the new business units gradually found their markets and product development and order-taking were improved after 1991. Showa began to take off, just as the rest of the export-dependent Japanese economy fell into a prolonged slump. As a typical Japanese manufacturing profits fell by 70 percent after 1989. Showa, now selling 100 percent of its output into a stagnant domestic economy, lifted its profits by nearly 100 percent compared with 1989.

The Kaizen management originated in the best Japanese management practices and is dedicated to the improvement of productivity, efficiency, quality and, in general, of business excellence. The KAIZEN methods are internationally acknowledged as methods of continuous improvement, through small steps, of the economical results of companies. The small improvements applied to key processes will generate the major multiplication of the company's profit, while constituting a secure way to obtain the clients' loyalty/fidelity. The KAIZEN management represents a solid, strategic instrument, with a view to reach and surpass the company's objectives. (Titu, 2010)

Kanban is based on a very simple idea. Work In Progress (WIP) should be limited and something new should be started only when an existing piece of work is delivered or pulled by a downstream function. The kanban (or signal card) implies that a visual signal is produced to indicate that new work can be pulled because current work does not equal the agreed limit.

This doesn't sound very revolutionary nor does it sound like it would profoundly affect the performance, culture, capability and maturity of a team and its surrounding organization. It is remarkable that it does. Kanban seems like such a small change and yet it changes everything about a business.

Since few unnamed production systems exist, jidoka has taken on an additional character of integrating the human into an automated system so that the human is well integrated into the system.

One of the most popular visual control tools is a system called andon which typically uses „alarm lights". These lights are used to indicate or warn workers of an activity that going wrong. (Kniberg, 2010)

Andon also can be used to detect material shortages. The worker, by turning a light on, can let a supervisor know the trouble spot on the line is causing the problem.

Finally, applying lean management principles helps to drive change through the organization. Lean management gives the organization a set of goals and a purpose, which leaders can use as they strive for excellence in the development process and communicate these expectations to the rest of the organization. Applying lean management standards changes the behaviors, practices, and habits of teams. This is the only way to change the culture of a development organization. For this reason, lean must be implemented beyond the team level to all areas of leadership.

Using these principles, design teams achieve innovative outcomes because the method ensures an optimal solution to key design problems.

In the process, the design team will have designed out the wastes that are universal to all designs and, by applying the key lean principles of flow and pace to the process, will have found the solution faster than using phase- gate-style development.

We work with teams that are on the journey to incorporate all six principles into their development process. Often one team will demonstrate a best-practice behavior, which is shared with other teams.

CONCLUSION

A main element of the Lean financial model presented is based on encoding actions that are perceived waste within the Lean philosophy; it has been shown how the model benefits from this categorization. However, we acknowledge the literature debate on this topic and will briefly address it.

The Lean financial model renders different types of available capacity explicit. This is done intentionally to understand the potential use of their capacity. Acting oil tins we can improve time consumption.

We distinguish between available bottleneck capacity, other labor available capacity and imbalance capacity. Other labor-available capacity is the capacity available in non-bottleneck labor resources, and the imbalance idle capacity comes from the activity path in which cells cannot be balanced completely with each other, or in which cells cannot be balanced internally. Only if there is available capacity at the bottleneck is it possible to increase value stream activity. In the example schedule there is very little available capacity at the bottleneck resource, and not enough to run another batch.

Lean and concurrent engineering (CE) are widely acknowledged business process improvement strategies. These strategies can improve processes, reduce costs, and cut waste enabling organisations to remain competitive. Lean manufacturing offers an enterprise-wide methodology that improves reliability and flexibility while reducing lead-times and inventory carrying costs. Companies in manufacturing and service sectors are focusing on integrating lean manufacturing methodology with other applications, so that, all their systems and processes are aligned.

Therefore, as the tool problems registered on the visual board in cell 1 arise, and the cell loses time equal to one batch, it may be argued that the cost of waste in our model fails to represent the opportunity costs. Opportunity costs are by definition equal to the contribution margin lost with the above-mentioned batch. The increased scrap level reduces the contribution margin as there are (potential) customers for these goods. (Piatkowski, 2017)

The fundamental concepts of lean thinking are similar you follow them on your home or in the projects. These principles involve improving all processes in each phase of the project to gain incremental improvement , thereby resulting in a significant overall improvement for the entire project.

Advanced project leaders are lean thinkers , and they believe in applying the Science of Simplicity) to every project they undertake. They are not limited by the eight wastes but look at all wastes than prevent them from creating value for their customer, within the legal and moral boundaries. Advanced project leaders understand that if they do not eliminate the waste from their projects, they face a far greater waste. Project leaders are those who have undergone a paradigm shift from wanting their resources to work faster to leaders who want their resources to work smarter - to focus on eliminating the waste and thus use their time to focus on adding value to the customers.

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STRATEGY AND INNOVATION IN BUSINESS

Abstract

The concept of competitive advantage has become, in the last two decades, one of the most intensely debated and analysed. Considered essential to long-term development businesses and businesses, competitive advantages are seen as true turning points in the activity of businesses. At the same time, competitive advantages are seen as the answer to „Why do some businesses fail to become efficient, while others stagnate or go bankrupt?“ It is true that these advantages must be the main objectives of the business, but attention must direct primarily towards specific sources and through which you can gain competitive advantage. Based on the main objective of any business represented by the desire for profit, strategic management is focused on the integration of all activities of businesses in this direction. The primary role of strategic management is to create and sustain competitive advantages, particularly through analyses, decisions and actions taken by the business.

***Keywords:* competitive advantage; business; competition; work and identity.**

I. INTRODUCTION

The competitive advantage is the result of detailed analysis and strategic planning, through which the business identifies opportunities arising in the market and exploits these opportunities allocated resources. Strategy is more than drawing a linear direction toward a goal stated above. The strategy is, above all, a way of thinking that involves observation of all activities taking place around the business and decisively influences every decision taken by it. Corporate strategy should represent a lifestyle and not just a means to achieve a particular purpose. Thus, our scientific approach will focus on specific ways that businesses observe and react to different events that occur in the environment in which they operate and the decisions arising from these events in order to identify the mechanisms underlying the growth businesses. It is very important, strategic formulation process to ensure flexibility and adaptability of the chosen strategies.

Dynamic environment in which they operate businesses work requires providing mechanisms by which they will be able to adapt to the new changes, so as to ensure continuity of competitive advantage gained. It should also be noted that nine out of ten strategies fail due to poor design and management of the implementation process. Why? Is it really that important strategic implementation process? The answer to this question is YES. The most brilliant strategy formulated in the most efficient way possible, will lose its effectiveness in the absence of a mechanism to ensure the implementation of the principles and strategic goals. Unfortunately, the theory and practice of strategic importance given to the implementation of strategies is significantly compared to the formulation of strategies. The important causes of this imbalance, from our point of view, result from the different characters of the two processes. Strategic formulation is an

analytical process, being relatively easy for managers to quantitatively assess the environment in which the business operates thus, the indicators obtained by analysing the evidence I can draw conclusions that will lead ultimately to identify and formulate the most appropriate policy options. On the other hand, the strategic nature of the implementation process does not allow full, its structure only based on purely quantitative indicators. The most important part of the implementation strategy is the creation of an optimal context for the strategy formulated to result in the acquisition of competitive advantages. In this respect, significant changes will be brought to the organizational structure, especially the values, attitudes and skills of the staff in the business, leading to the need to change the organizational environment. From the point of view of the possibility of failure of the implementation strategic mismanagement of organizational change is the greatest danger in the first place, because changing values, attitudes or existing rituals rooted in the business, without generating fierce opposition from employees is a very difficult process and, secondly, because the evaluation of the effectiveness of organizational change process is not a purely analytical process but involves analysing data from the employees' mind-set. Based on the considerations outlined above, this paper aims to study the characteristics of central enterprises in the construction industry and the efforts made by them in order to gain competitive advantages. Upsetting relations of cooperation between firms in the same industries lead to the rarefied collective achievements, such as research - development and training, which played a decisive role in promoting technological innovation and labour productivity in developed countries. (Arvanitis, 2004)

II. BEAUTY STUDIO

Public organizations, as opposed to profit organizations, do not have many resources at their disposal. Of the human ones is the most precious and most effective. Here I want to introduce a differentiation: I talk about the "human resource" and not about "personal". The two phrases attest to a philosophy, a different orientation; if I refer to "staff", I consider our organization's employees to be a definite and finite factor, like a typewriter: each has its place and its use and I can not expect more. "Human resource" refers to the fact that any individual, if necessary, can grow and develop; Emphasizes that employees are not an investment like fixed or mobile capital but are a source of profit for the organization if they are offered the necessary opportunities. This is precisely the essence of human resource management: to teach managers how to create those conditions that allow employees to "produce" more. In other words, the HRM is trying to create the organizational space where employees can reach their full potential.

In order to further clarify the modern perspective on what I call the "human resource", let us also address the fundamental question: "What elements of the human resource are important to the professional activity carried out by it?" The answer becomes particularly difficult if I try to give it for each specialization in an organization, whether public or private. It is easier to give a simpler and more generic response, namely: competence and performance are the two general characteristics relevant to the human resource existing within or necessary to an organization.

One of the most accessible formulas for addressing the problem of human resource competence is the following:

COMPETENCE = KNOWLEDGE
+ SKILLS + DEPRECIATION (Amenc, 2002)

Knowledge (theoretical) is the result of the educational system that an individual benefits from, sometimes restraining him to aspects of the type of vocational training in a particular field. However, this luggage of theoretical knowledge can not be abusively restricted only to a particular subject, as the concrete situations encountered in the workplace sometimes require the use of general knowledge obtained at the non-specialized (pre-university) level.

Skills are the native qualities of an individual. They can not be created, but only activated or developed, sometimes some of them being in a dormant, inactive state until they are called. (Altman, 2005)

Skills or skills are the result of putting into practice theoretical knowledge, of course with the contribution of skills. It is usually indirectly referred to them, speaking more about professional experience in a general or specialized field in a specific field of work. In turn, experience is directly related to the concept of length of service, the importance of which is reflected in the level of remuneration enjoyed by an employee.

III. PERFORMANCE = COMPETENCE + ATTITUDE

In order to achieve appreciable professional results, an individual is not only competent enough. He still needs something to lead to performance, reflected in a second formula:

$$\text{PERFORMANCE} = \text{COMPETENCE} + \text{ATTITUDE}$$

If I have explained to this point that competence is the result of summing up three types of human resource specific qualities and that performance is obviously the professional outcome from the point of view of human resource management, I still have to clarify what the link term is between them, and namely the attitude.

Attitude (professional) is the intent of an employee to work, to make the most of the workplace, to use his / her full professional competence. Attitude is closely related to motivation, which is on the one hand of the strictly personal characteristics of an employee, such as conscientiousness or awareness of the fact that he has to give something in exchange for the various rewards offered to him by the organization in which he works, On the other hand it may keep to an even greater extent the external elements of that employee, but which have a major influence on the employee, such as the directing style of the chief but also those at senior levels, the relationship with teammates, The use of resources and authority appropriate to the specifics of his work, culture and organizational climate, etc.

Once these two human resource problems are clarified, they can become milestones very useful in carrying out activities of major importance in human resources management, the first formula being very useful for recruitment, selection and promotion activities, and the second one Chosen for the assessment of individual performance and motivation of employees.

And now that I have thoroughly explained the issue of the relevant human resource features, let's see how I can make that gain in managerial practices.

Human resources management is the organizational activity that allows the most efficient use of people (employees) to achieve organizational, group and individual goals. (Alvarez, 2005)

Human Resource Management (HRM) consists of many activities, including the following:

- Analyzing and designing job postings
- Personnel planning
- Staff recruitment, selection and orientation
- Advice provided to employees for the future of their personal careers

- Performance evaluation
- Job-specific compensation and benefits
- Health and safety
- Relationships at work
- Discipline, control and evaluation of staff functions, etc.

Obviously, this list is not exhaustive but reminds most of the important actions that the HRM is dealing with.

If I am still trying to describe what the HRM is doing and what it is, then I need to review three important features of this activity. (Allen, 2004)

MRG is oriented towards action. It does not focus on billing, description or rules. HRM highlights and looks for solutions to employee problems to help achieve organizational goals and facilitate individual development and satisfaction.

HRM is individualized. Whenever possible, the HRM treats each employee as a distinct individual and offers services and programs designed to meet their individual needs.

The HRM is forward-looking. It is trained by the objectives of the organization and helps to achieve them by providing "competent", ill-motivated employees.

The objectives pursued by the HRM in its attempt to help the organization become effective include the following:

- Help the organization achieve its goals
- Make effective use of skills and manual skills
- Provide the organization with ill-trained and motivated employees
- Increase the employee's satisfaction with the workplace
- Develop and maintain a quality work environment that transforms employee status into an organization in a satisfactory personal and social situation
- Communicate personnel policies to all employees

- Help maintain professional ethics
- To help introduce beneficial changes for individuals, groups, organizations and the public.

All these goals form a whole. Once they are touched, then HRM can be considered effective and useful to the organization in which they take place.

Here are a few words about the role of manager or specialist in HRD. Unfortunately, I do not have valid data for Romania, so I will have to make comparisons. In 1981, there were 250,000 people employed in the HRM field in the US. Of these, 60% were from the private sector, 30% from the public domain and the other 10% from other areas (health, education, libraries, non-governmental organizations, etc.). The growth rate of the staff I am talking about is 5% per year. Let's focus on the public sector. (Altman, 1995)

If in the private domain any firm can come up with any kind of personnel policy, in the field of public administration the freedom is more restrained; there are laws, rules and regulations that emphasize uniformity rather than flexibility. Traditionally, the role of the staff department focused on two functions: the routine processing of administrative burdens related to salaries, retirement and other benefits, and the observance of a growing set of laws, regulations and rules. What was the respect for the rules, not the innovation of HRD work? As a result, a rigid system that could not meet the goals mentioned above (or did not intend to meet them). This problem was encountered not only in us, but everywhere, in any administrative system. As the results were not in line with expectations, in the context of the public administration undergoing a general reform process aimed at "humanizing", making it more flexible and streamlining, three strategies have been designed to bring reform to the HRD as ill. (Allen, 2007)

The success of a business in the field of body beauty is closely correlated

with a number of factors such as the entrepreneurial skills of the initiating businessman, the mastery of the staff who performs the work procedures, the level of knowledge in the field. If the entrepreneurial skills and the mastery of the execution of the working procedures are in close correlation with the competencies of the respective persons, this guide gives the future entrepreneur a lot of useful information, thus contributing to the formation of an overview of the activity he intends to carry out.

IV. CONCLUSION

One of the strategies to engage customers from various segments, is the loyalty card, this becomes another criterion to motivate the customer to return to your establishment. Consider, for example, offering a 50% discount after every five cuts.

Nobody likes to feel cheated, does not it? If you can not keep, do not promise. This applies to the shifts, the duration of the cut, the prices and the final result.

Do not hesitate to ask customers about their preferences. Ask if there is something you want, if you liked the previous cut, if you need some alteration in the structure, if you have suggestions, etc. Attentive treatment motivates you to return in the future.

On special occasions, such as graduations, weddings or anniversaries, the client may spend a lot of time in the establishment. To avoid having a tedious experience, it is necessary to offer forms of entertainment, such as a television tuned to a channel of interest, updated magazines and free internet access.

Finally, it is worth remembering that it is necessary to invest in surveys that measure the level of customer retention and accompany this evolution over time. A

good alternative for that is to bet on a CRM system that gathers up-to-date data on consumer behaviour. In this way, you will identify what gives result and what you can adapt to your company with more effectiveness.

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