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IMPROVING THE COMPETITIVENESS BASED ON INNOVATIONS, ACCORDING TO THE CASE STUDY OF HORUS ENERGIA

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In the turbulent environment the evolutionary improvement of organization appears to be insufficient – the response is the development of competences that enable to discover the innovation sources regularly, absorb them from outside or generate by means of the company's own resources and implement in products and processes. What are the key factors of forming the business creativity and innovativeness? Are there any effective patterns of improving competitiveness based on innovations? The purpose of this article is to present a case study of a business, representing an attempt to answer this question. The case study has been developed with the use of the company internal materials, press releases and interviews with two key persons in the said organization.

Innovation, cooperation, communication, competitiveness, enterprise.

1. OBJECT OF BUSINESS ACTIVITY

Horus - Energia Spółka z o.o. [Manufacturing – Service Providing – Trading Company, Ltd.] was established in 1996 and is the form of continuation of Zakład Montażu i Kompleksowej Obsługi Agregatów Prądowórczych HORUS [Assembly and Comprehensive Service of Backup Generators Plant] operating since 1984.

Horus Energia, benefiting from the industrial experience gained by its predecessor and appropriately qualified staff, promptly achieved the leader status in the generators sector and as such it offers backup power supply solutions for diverse facilities, including without limitation manufacturing plants, HP plants, water treatment plants.

The company is represented by 4-person management board whose registered office is located in Sulejówek. Its share capital amounts to PLN 2 768 000, 00.

The company offers to its customers a wide range of services and solutions enabling security in case of break in normal power supply and their company losses resulting from the same. The company offers all the necessary services related to backup power generators and UPS backup power packs, from the selection phase, through development of necessary designs including agreements, delivery, comprehensive specialized assembly and start-up, to warranty and post-warranty service repairs, also including rental in case of temporary client needs.

As part of the suggested solutions, Horus Energia offers the clients backup generators that use the following fuels: natural gas, biogas, Diesel oil, appropriate mixtures of eco-fuels.

The company offer also included technologies enabling the increase of efficiency of the equipment used, e.g. co-generation (CHP) technology created as a result of expansion of the backup generator with heat recovery module, poly-generation technology, being the further expansion of the co-generating sets with additional systems enables the optimization of the CHP-module-based application, used in refrigeration, greenhouses, heat recovery.

The key factor of the company success lies in the efficient, professional, specialized (warranty and post-warranty) service repairs employing experienced specialists, involved in the operation and service repairs of backup generators. The company employees provide service repairs of the equipment all over Poland. Currently, in order to come closer to the clients, the company decided to open the first service repair facility in Krzeszowice, which is to be the foundation for the further expansion of the entire servicing network. The company is proud of the longest list of implementations in the backup generator industry, currently including 1027 items. Such results are possible thanks to the proper approach to the client and the complete scope of services.

The team members develop their qualification on the permanent basis through participation in theme training courses and obtaining relevant licenses and certificates. The company is the proud winner of numerous significant awards, particularly, the title of „Outstanding Exporter of 2007”; the certificate of a “Transparent Company”; triple winning of the Gold Medal of International Poznań Fair, the POLEKO Fair, the gold and bronze medal awarded by PGE Energia Odnawialna [Renewable Energy], within ENERGETAB, the International Energetic Fair in Bielsko-Biała, for the years 2010 and 2012; respectively, reward in the “Quality of the Year competition in 2012; included in the “Forbes Diamonds List 2013”.

The awards prove the high quality of the products and services provided by the company, which has largely been influenced by the introduction of ISO 9001:2008, certified management system.

The company mission is to maintain the satisfaction with work well done and tendency to ongoing business development. The focus on environment friendly solutions correlated with green energy obtained from renewable resources is to help the company to reach this target.

Currently, HORUS-ENERGIA employs almost 70 employees, 40 of them working on direct contracting or supervision. Such business organization enables the

minimization of the costs of services provided, at the same time maintaining their high quality, one of the factors whereof being the efficient operation of the company and assembly teams. Most of the company employees hold long-term experience at their work and all those who do specialized works hold the necessary certificates as required by the applicable regulations.

The company success, in addition to the high quality and professionalism of the services provided, is also influenced by the appropriately conducted price policy that enabled it to reach a wide number of customers from the telecommunication, medical, banking, industrial, military and numerous other sectors. The companies who used the services offered by Horus include without limitation: Alcatel, Budimex – Dromex, Carrefour, Castorama, Bełchatów Power Plant, Gefco, Hellena, Hotel Hilton, IKEA, Ministry of National Defence, Motorola, PKN Orlen, Orange. The company experience and professionalism may be proven by the longest list of references in Poland concerning the backup generator sector, currently including ca. 1200 facilities, of which almost 80% are specialized assemblies of backup generating sets.

The company continuously develops and expands its activity by global markets, therefore the equipment from Horus Energia may be found in the numerous countries, including Nigeria or Russia. The equipment items from Horus Energia are to be launched on the Chinese, Slovakian and Italian markets soon.

2. CO-OPERATION – MOTIVES FOR WORKING TOGETHER

The interview at Horus was made with the Chairman of the Management Board and Sales Processes Support Specialist. In the opinion of the company representatives, it continues to survey the situation in the market environment. As a result, the company manages to determine the areas in which changes should be made so as to meet the client expectations to the utmost degree possible. The company uses every endeavor to stay as close to the client as possible, therefore, one of its priority actions is to build a servicing network covering all the country, which should enable improvement of efficiency of the works done and client service provided.

The emphasis put on the ongoing company development stimulates the co-operation it takes up, both in-company and openness to external partners.

The in-company co-operation is mainly concentrated around the particular departments and their staff, e.g. supporting the development of co-operation between the company headquarters and the Commercial Department as well as the Servicing Units.

The external co-operation in turn comprises 5 - 10%, its scope covering IT, courier, occupational health and safety, insurance and banking entities. The company mainly co-operates in the areas that are beyond the direct range of its activity, therefore it relies on the experience of the partners. Such actions also enable the reduction of costs the company would have to bear in relation to employing appropriately prepared staff and obtaining the experience required in order to act fluently in the said areas.

The company representatives indicate the main motives that influence the decision on in-company co-operation:

- Product quality improvement,
- Improvement of the efficiency of purchases and sales logistics,
- Improvement of the efficiency of the production processes,
- Improvement of the financial situation,
- Reduction of the business costs as a result of project cost division between the partners, reduction of new product or process costs as a result of specialization of the co-operating companies (scale advantages);
- Reduction of the process and project performance time, thanks to distribution of tasks and parallel conducting of specific stages of the process (increasing the options to obtain time advantage of the co-operating innovators);
- Improvement of competitiveness, not only of the particular businesses participating in a given supply chain, but also of the entire supply chain.

3. RELATIONSHIPS WITH THE CO-OPERATING PARTNERS – PRINCIPLES OF CO-OPERATION

In the opinion of Horus Energia representatives, the foundation for successful co-operation are most of all loyalty, reliability, efficient communication, professional staff, mutual support and commitment and also the precise definition of the mutual needs that are to be the co-operation object. The observance of the principles shall allow for taking the full advantage of the benefits offered by co-operation and, in consequence, the effective improvement of the company's own results.

At Horus Energia there is a conviction that the vast majority of co-operation projects taken by the company proceeds correctly and brings the expected results, therefore, they are assessed positively. The company representatives indicate that in the relationships with the partners, Horus Energia holds the position of the dominating partner, which significantly adds to the improvement of the competitive value of the company.

The representatives of Horus Energia also point out that, in spite of the advantages, co-operation may also bring about a lot of issues. The first and also the most important disadvantage of co-operation is the fact of becoming dependent of the co-operating partner's actions, their methods of work and technologies. After some time, such dependency and the occurring relationships reduce the company's flexibility, cause difficulties with making decisions on restriction, suspension or termination of the co-operation, due to the potential threats to the company liability fulfillment. It often happens that as a result of co-operation the company shall completely take over the unique solution of its partner, which causes restriction of the potential opportunities to co-operate with other partners who are unable to adapt thereto.

The representatives of Horus Energia also point out another significant co-operation element, namely, the proper communication that affects the effectiveness of in-company and external co-operation. Within co-operation the mutual sharing the knowledge and technological solutions takes place, usually performed in the form of passing technical documentation, enabling the implementation of new and innovative solutions.

Improving the Competitiveness Based on Innovations, according to the Case Study of Horus Energia

The Commercial Department is responsible for the coordination of the co-operation, the Commercial Department employs persons specially delegated to be responsible for the co-operation with the partners. They ensure that the agreements are correctly prepared, control the tasks accomplished, supervise the appropriate communication with the co-operating partners. Communication is one of the most important co-operation aspects, because it is the only foundation for building good and long-lasting relationships with business partners and continuous consolidation of the company market position. Efficient communication enables prompt, good and most of all, effective action. Moreover, proper communication enables to create the company's positive image, which translates into its success.

At Horus Energia it is estimated that ca. 70% external partners are regular co-operating partners, which is of crucial importance with such a large number of orders performed by the company, as it guarantees the surety of fulfilling them.

The representatives of Horus Energia point out the appropriate regulation of the co-operation principles in the agreement concluded, which should determine the duration of co-operation, its durability, warranty periods and co-operating partners' financial potentials required. Horus Energia expects its co-operating partners to perform the ordered services, according to the agreement concluded beforehand and on the top level, therefore, during the common performance of the services all the actions taken up by the co-operating partners, both new ones and the proven ones, are thoroughly monitored.

The appropriately prepared co-operation agreement also enables the protection of businesses against the improper co-operation progress, through the application of contractual penalties. The contractual penalties include those applied as a result of faulty provision of service or delivery of product, penalties caused by delays in deliveries. The application of such provision is to protect the company against the risks resulting from co-operation with dishonest partners.

Furthermore, Horus Energia assumed the principle that each product should hold a quality warranty. The quality is checked after the product is finished or service provided and the payment is made after obtaining the positive result of the inspection actions only.

The partners of Horus Energia are companies met during the company participation in Poznań International Fair, POLEKO International Environment Protection Fair or ENERGETAB International Energy Fair in Bielsko-Biała. In addition, the Company Commercial Department continuously receives co-operation offers from other businesses.

4. SUMMARY OF THE CASE STUDY

Horus Energia, in relation to the dynamic growth, more and more frequently faces the decision to start new co-operation relationships. The main partners of the company are companies holding know-how the acquisition whereof would be costly to the company or businesses that would guarantee Horus Energia the launch on new product and service markets.

Taking up co-operation usually positively affects the company financial results, because it enables, without limitation, the reduction of production time or costs.

The in-company co-operation dominates (ca. 90%) at the company, it mainly occurs between the specific company departments and employees.

Horus Energia builds the relationships with the partners, basing on the mutual loyalty, reliability and appropriate communication that enable effective performance of actions. Assuming such attitude towards the co-operating partners causes that Horus Energia becomes more and more competitive, through making the processes more efficient and increasing the suggested range of products and services.

Although Horus Energia takes up external co-operation to a slight extent only, in comparison to other entities surveyed, it should be emphasized that it results from the specific nature of the sector the company operates in.

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