

## **Marketing and Management of European Funds in ROMANIA in the Last 10 Years**

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### **Abstract**

Through this article we want to highlight the marketing and management of structural funds in Romania, in the last 10 years, through a theoretical approach. European funds, are the financial instruments of the European Union, through which Romania can develop certain domains, being intended for public or private security, thus contributing to its growth, as well as social and cultural. European non-reimbursable funds are not intended to help finance the Member States without reimbursement. They are not regarded as credit and are not interest-bearing. The Structural Funds are the financial instruments through which the European Union provides support to Member States at the structural level. This financial support is intended for less developed regions, and through this article we will try to emphasize the importance of marketing in the management of European funds.

**Keywords:** European funds, development, program, economic growth, financial instruments.

**JEL classification:** O0, O20, O47.

### **1. Introduction**

The concept marketing and management of European funds represent the business viewed from the point of view of the final result, i.e. through the client's perspective. The success of any business is not determined by the manufacturer, but by how satisfied the customer is.

Promoting financial services and products on the market involves, first of all, its extensive studies, identifying consumer needs, segmenting consumers, improving the quality of supply - all to outline a promotional campaign that ends with attracting new customers and meeting their needs.

Today, organizations are struggling to find new ways to create their own, strong image among consumers, which means a model of education through valuable content.

Institutions must communicate effectively with both current and potential customers by developing well-developed promotional strategies to present both the benefits and advantages of accessing European funds.

Modern marketing, which appeared in recent decades, is considered today the essential factor of an organization's success, indispensable in its economic and social development, a solution that solves its problems, a basic tool in achieving great performance, but also in avoiding risk.

It has become ubiquitous because it "influences everyone's life, being the means by which people are offered a standard of living" (Kotler, 2008).

The 21<sup>st</sup> century highlights two major forces: Technology and Globalization, which have a significant impact on economic life. The evolution of technology and the changes suffered by the economy have led to the change of the behavior of the consumers and implicitly of the economic agents.

The elaboration of a solid development strategy allows the design of the direction to be followed for the future actions, the focus on the competitive advantages in the approach of the marketing programs. By setting the business strategy, entrepreneurs have criteria to guide their decisions and select those that are consistent with the direction their organization should take in the future.

In order to successfully complete the marketing process, financial institutions that subscribe to a customer orientation should pursue issues such as:

- Identifying markets that are profitable in relation to their activity;
- Analysis of both current and future customer needs;
- Preparation of marketing plans and strategies to achieve the proposed objectives.

The responsibility of the entrepreneurial marketing activity is closely related to the ethics of the business environment. Business ethics is a new chapter and we believe that it takes a long time to assimilate this concept.

## **2. Ethics in the management of European funds**

Ethics in the field of European funds management is very important, given the tendency of correlation and integration of European funds with the help of European programs and projects. New implementations of ethics will ultimately help people to have an improved relationship and socialization (Ionescu, 2004).

In addition to ethics, there is also morality, and these two words are different linguistic sources. Morality is presented in the form of a discourse that results from the opposition between good and evil (Sârbu, 2005).

Milton Friedman argues that every man has a moral duty to pursue profit as long as this is done, of course, by legal means. Companies have a moral duty to use all necessary resources to achieve their goals and to engage in free competition, without deception or other immoral acts. He also argues that every man has a moral duty to pursue profit as long as, of course, this is done through legal means.

According to the same theorist, freedom is the most important value in any economic and political system. Any involvement in social projects that do not lead to an increase in profit is a theft from the pockets of shareholders, because corporate managers do not have and do not have the competence to initiate public policies. „The business aims to maximize the value held by shareholders, through a prudent use of limited organizational resources, as long as those activities are in the letter of the law” (Friedman, 1995).

In our opinion, we should first ask ourselves if Ethics appeared recently in the twentieth century as we know it or maybe Ethics is a very old field, but which has taken another form over time. Sometimes we have the impression that society is an artificial construction and that nature is just a struggle for survival, but the truth is that all these dilemmas about life are closely related to Ethics, which is like a support.

Ethics has as its main role the harmonization of selfishness with altruism, of the individual good with the social one: "to find that principle that harmonizes our individual good with the social one, from which combination derives true happiness, which would maintain the balance of forces and interests" (Leonardescu, 1999).

The study of ethics has as object the establishment of the values that must be realized, a clear, systematic exposition of the moral norms according to which the individual must be guided in life. Ethics, like other sciences, seeks to find the truth.

The author P.V. Lewis believes that Business Ethics is a set of principles or arguments that must guide business conduct, both individually and collectively. Each individual in a group is responsible for his actions and what derives from his actions. Each employee is obliged to

respect the ethical norms within the company where he carries out his action and has the moral obligation to use all the resources at his disposal in order to surpass himself.

The acclaimed Oxford philosopher Roger Crisp is of the opinion that in the most frequently used sense, ethics is characterized as a philosophy that has, of course, its own topics of discussion, publications, a variety of schools of thought. Through more complicated language, Crisp wants to highlight the fact that business ethics wants to show and support with convincing arguments the values and moral norms that should guide the economic game, in the hope that his explanations will bring improvements in the business environment (Jelev, 2001).

To find out what the word ethics means, a questionnaire was prepared and applied to a large proportion of American businessmen. For this purpose, the following answers were obtained:

- "Ethics has to do with what I think is good and bad."
- "The term Ethics has to do with religion."
- "Obeying the law means being ethical."
- "Ethics is closely related to the types of behavior in society."
- "I do not know the meaning of this word" (Holden, 2000)

Analyzing these aspects and theories related previously, we can say that ethics plays a very important role in the administration and management of structural funds. Starting from all these principles, the management of the operational programs can be successfully achieved and can help to fulfill the strategic objectives assumed by Romania. The management and marketing of European programs is very important for local entrepreneurs, because only through effective communication can they be attracted to exercise their right to obtain grants.

### **3. Management and marketing of European programs**

The management of European projects and programs is as diverse as possible and is a very attractive field for the business environment, as well as for public institutions in Romania.

This field of management of European funds is on the one hand for the responsible authorities and who manage these funds through their typical tools, programs and projects, a source of funding for strategic initiatives of the Romanian Government, and achieving sustainable development results in line with standards. European Union. On the other hand, for the business environment and especially for entrepreneurs, the Structural Funds are a source of support for initiatives, business, growth and support for society in general through their successful implementation.

Project management (Opran et. all, 2002) emerged as a process of planning, organizing and managing the activities and resources of a project in order to meet well-defined objectives that usually have time, resource and cost constraints. The project is "a non-repetitive process that achieves a new, well-defined amount within a specialized organization. The project is characterized as a unique, specific action, composed of a logical sequence of coordinated and controlled component activities, with an innovative nature of different nature, carried out in a methodically and progressively organized manner, with time, resource and cost constraints, intended successful achievement of new complex results, necessary to meet clearly defined objectives. Any modern activity is seen as a modern project, with a complex character, which imposes a new vision starting with the analysis of the project needs and ending with the efficient reuse of the project results. the project is "a non-repetitive process that achieves a new, well-defined amount within a specialized organization. The project is characterized as a unique, specific action, composed of a logical sequence of coordinated and controlled component activities, with an innovative nature of different nature, carried out in a methodically and progressively organized manner, with time, resource and cost constraints, intended successful achievement of new complex results, necessary to meet clearly defined objectives.

The pressures of the globalized economic and political competitive system of the industrialized world, the competitiveness between producers, a greater respect for the value and welfare of those who form the project workforce and implicitly for the cost of this workforce have led to the development of new project management techniques. The first to deliver what the customer wants is the winner and will survive in this competitive system. The solution is to achieve high-performance projects with high-performance project management. The main defining feature of a project is its novelty. A project is a step into the unknown, full of risks and uncertainties. No two projects are perfectly identical and even a recurring project will always be different in one or more of its commercial, administrative, social, political or physical aspects.

The applicability of the concept of project management (Balogh, M., Balogh, N., 2013, p 8-10) is extremely diversified in the current period, and the fields in which projects can be developed are very varied and refer both to general projects, which aims at the development of an organization, community or person, as well as at projects aimed at the exchange of experience, the organization of seminars, etc. In general, before any action, remunerated or voluntary, within a company, a non-governmental organization, the public administration, a family, the possibilities of applying project management must be analyzed.

Projects appear at all levels of organization. They may involve a person or teams of people. The need to develop and manage projects in local public administrations was born from the need to adapt modern working techniques and attract new financial resources to solve problems in local communities. The introduction of an organizational culture oriented towards achieving positive results needs a project with precise deadlines and objectives, with exact allocated means.

To this end, project management, as part of a modern concept of organizational management, can be a first step towards asserting employees in the spirit of cooperation and openness to the new.

Within the implementation of various programs and projects an important source of adaptation of public administrations refers to the existing interaction between the internal forces of the organization and the external environment. The approach of the implementation processes cannot be static due to the continuous fluctuation of the internal and external influencing factors.

Recourse to project management in public administration can have considerable advantages:

- overcoming the routine hierarchical functioning of the administration;
- proximity of units / services, which usually collaborate too little.

The civil service has long known, like all professional organizations, the idea of project management, as evidenced by several specific elements:

- leading the reorganization of a service - it is about a problem that needs to be solved, a series of missions that need to be accomplished, a time-consuming activity, the possession of specific knowledge and means;

- implementation of an endowment plan with new equipment;
- in-depth adaptation of an administrative procedure - requires caution, reflection and mobilizes many actors, translating into instructions, documents, public information.

The Romanian public administration must consider the impact that a constantly changing environment can have on it, and the identification of missions, goals and organizational objectives is not only a managerial strategy, but also a way of survival.

From a theoretical point of view, there is a distinction between the notions of project and program (Chase et al., 2000), although most of the time they are used with equivalent meanings. In project management a program includes several projects, and a project can be further broken

down into subprojects, groups of activities and actions in order to be easier to manage. Subprojects are often subcontracted to third parties, whether it is an entity outside the institution/organization or a department of that institution/ organization that was not initially planned to participate in the project. Programs, like projects, have a clearly defined leadership and a permanent marketing communication. There is first a program/ project manager (Project Director, Project Manager, Project Coordinator, Team Leader), who coordinates a team, the complexity of the project requiring the participation of more than one person.

Approaching a program is limited to a strategy that in turn is based on a purpose. We can say that regardless of the scope of the project and whether it is carried out at national or international level, executed by a single organization or by an alliance of several partners, respect for the interdependencies between strategy, program and project, and quality of resources used, leads to its success and to obtaining results beyond expectations.

Also, projects are often divided into sub-projects to make them easier to manage. Subprojects are often subcontracted to third parties - whether it is an entity outside the organization or a department of the organization that was not originally planned to participate in the project.

The approach of European projects by the actors involved in the management of European funds from contracting to effective absorption, in order to achieve the goal, must be done by setting the steps to follow, the objectives that lead to solving the problem, and the most important thing is to we have a SMART one (Onescu and Florescu, 2013):

- Specific (English - specific), assumes that the objective is clear and answers questions such as: who, what, when, where, how is the result at the level of beneficiaries. The objectives of the project are clearly defined on the basis of criteria, in direct relation to the purpose of the objective;

- Measurable, the results are quantifiable
- Tangible (achievable), the purpose of the project is achieved
- Relevant, the organization has the necessary resources to achieve the project
- Time-based, it is framed in time, there is a deadline to achieve the proposed goal.

Projects have a number of characteristics that are defined and adapted over time. These characteristics are found in programs, which in turn are found in projects, regardless of their size and include the following fundamental elements: the uniqueness of the result, limited duration, project size and the degree of novelty and complexity.

The projects are realized in several stages, they having as starting point the strategic development document of the organization, a document through which the idea is transformed into a project. That said, the sequence of stages in the life of a project is as follows: idea design, planning, project layer, project development, monitoring and closing the project.

Adequate management of European programs cannot be achieved without human resources management. The program director has complex tasks setting the requirements of the organization at a strategic level. Thus, we can emphasize that at the level of each project the key actors are: the project manager - the person designated in terms of decision-making capacity, correlates the activities within the project, follows and assumes the results through commitments and applying constraints;

Project team - most of the human work is performed by teams, hermits are quite rare (Druker 1999). That said, the team needs to work together, support each other, communicate and have different skills and knowledge.

The financing is managed on the basis of a strict rule, in order to guarantee that the offer is a strict control over the way in which the funds are used in the same way.

### 3. Project management and marketing of projects financed from European funds in Romania

Approached professionally, project management is not a simple activity at all. What we can say with some certainty is that the skills and knowledge needed to be able to achieve performance in the field are clear. Portny argued that the techniques and skills associated with project management should be seen rather as a new way of thinking, communicating, and acting (Portny, 2001). The novelty of the way of thinking comes from the fact that the project can be seen as a chain of activities that produce measurable / quantifiable results. This chain is created, projected starting from the end, ie from the way in which the source of financing the project defines the final result. Project management is a way of acting on a rigorous plan, in order to achieve some of the objectives formulated as clearly as possible, in a limited period of time and with limited resources.

The word project (Onescu and Florescu, 2013) comes from the Latin projectum of the verb proicere (to throw something forward) formed from the prefix pro - (which indicates something that precedes the next action of the word in time) and yakere root (throw). The Latin root suggests movement, a trajectory, a certain relationship with space and time. The process involved involves a starting point used as a basis, from where someone "throws" forward, towards a goal. Historically speaking, the word and concept were first used by architects. In the 15th century, Filippo Brunelleschi was given the task of completing the cathedral in Florence by adding a dome. Before starting, he developed a sketch (project or plan) of the dome, using various perspectives to provide a geometric representation of the future structure. The English literature adopted the term project referring to "a plan of something to be undertaken" and not actually to "the act of fulfilling this plan."

Whatever the organization of the marketing activity, the responsibility of the entrepreneurial marketing activity rests with the entire staff of the organization, regardless of its position within the organizational chart.

The importance of entrepreneurial marketing is demonstrated in the conditions in which, on the one hand, the competition between the private and public sectors is in a continuous development, despite high barriers to entry and exit from this market, and on the other hand globalization and the high interest of players in the structural funds market make the intensity of trade actions in this sector high.

"Good marketing is not an accident, but the result of careful planning and execution. Marketing practices are constantly being refined and reformed, in virtually all sectors of the economy, to increase the chances of success. However, excellence in marketing remains rare and difficult to achieve. Marketing is both an "art" and a "science" - there is a constant tension between the logically and rationally formulated side of marketing and the intuitive-creative side" (Kotler, 2008).

In order to successfully complete the marketing process, financial institutions that subscribe to a customer orientation should pursue issues such as:

- Identifying markets that are profitable in relation to their activity;
- Analysis of both current and future customer needs;
- Preparation of marketing plans and strategies to achieve the proposed objectives.

According to the Explanatory Dictionary of the Romanian Language, the term project has several meanings, the following being interesting:

- plan or intention to undertake something, to organize, to do something;
- the first form of a plan (economic, social, financial, etc.) to be discussed and approved in order to receive an official character and to be implemented;
- technical work executed on the basis of a given theme and which includes the technical framework, the drawings, the justification of the utility of the projected object, its location.

A first definition is that the project is a series of organized activities, carried out in order to achieve predefined objectives, which require resources and effort and which represent a unique and therefore risky enterprise, based on a budget and a program. (Burke, 1993).

Another definition is the one formulated in the material edited by the Foundation for the Development of Civil Society - Center for the Development of Non-Governmental Organizations, the project concept being given the following meanings (FDSC, 1998):

- Goal-oriented anticipatory thinking, given the occurrence of a change, perceived as favorable for the one who intends to produce it;
- Technical and financial documentation, rigorously compiled, on the basis of which a certain system with predetermined characteristics and performance levels and with limited risks can be realized;
- An activity that has a beginning and an end, is planned and controlled and aims at change.

A simple definition of a project is that it is “a temporary effort to create, with limited resources, a unique product or service” (A Guide to the Project Management Body of Knowledge, 2000, p. 6).

Another definition, close to this, emphasizes that under the name of the project are brought together “a series of interdependent activities, which are carried out according to a plan to achieve a certain goal / to achieve certain results in a well-defined period of time; the activities within the project cease when the respective objective has been achieved ”(Project Management Manual, 1997).

Therefore, the project is a process that involves (Balogh 2013):

- a starting point from which someone "throws" something "forward" to a certain target;
- solving an identified problem or changing a problematic situation;
- the existence of resources;
- the existence of goals that must be possible to achieve;
- a specific solution to a specific problem, in a certain context;
- a well-defined beginning and end and take place in a concrete space;
- involvement of various planning and implementation skills, various partners or supporters, as well as a number of activities, events and tasks;
- the existence of a team and aims at the good of an organization / community;
- a series of risks and elements of uncertainty;
- the existence of measurable objectives that can be evaluated, thus being able to assess whether what has been proposed has been done, at the desired quality;
- a certain degree of autonomy from the current activities of the organization;
- a determined life cycle, composed of several mandatory stages, named as follows: identification, analysis and formulation of the project, its preparation, preliminary evaluation of the project, commitment of funding, implementation, monitoring and final evaluation of project results.

The management of projects financed by Structural Instruments thus presents as main feature and peculiarity of the wider scope of the operational program within to which they are proposed, evaluated, implemented.

The stages of project management thus fall, practically, into the stages of project management

program, 6 main stages can be identified ([www.fonduriue.ro/res](http://www.fonduriue.ro/res)):

1. Allocation of funds at the level of the European Union
2. Programming - at Member State level
3. Launching project applications
4. Elaboration of projects

5. Project selection
6. Project implementation
7. Evaluating the implementation of projects
8. Monitoring the program
9. Evaluation of the program

Project management in the field of European funds means sustained work, guided by a rigorous plan. The management of a project can be compared to a roadmap for a clear destination, and the shortest or most effective way to reach that destination is set before you set out.

By funding a project, the European Union wants to be reached Community strategic objectives for programming exercises. In the elaboration, proposal and implementation of projects this aspect not only must not be ignored, but it must be permanently taken into account by the management team.

### Conclusions

The purpose of this article is not to provide comprehensive tools in the field of marketing and management of projects funded by structural funds, manuals or dedicated guides, to highlight the elements that we consider essential, elements designed to increase the success rate of projects financed from the Structural Funds.

The management and marketing of the program cycle approaches the distinct monitoring and even subsequent to the implementation, in the case of the projects financed from Structural funds. This monitoring it is related to the implementation of financing contracts and is characterized by monitoring the progress of the project.

In a brief presentation of the project management, in this article, in the context of the management of the programs financed from European funds, a series of particularities of the implementation of the projects financed from the Structural Funds could be identified.

We conclude that, the project starts from a project idea is defined, developed and becomes a project proposal approved internally and is implemented.

European funds have internal regulations for the communication, transparency, verification and monitoring of funded contracts. Communication and information procedures are closely monitored by European Commission experts, through the required reports during their implementation.

All European programs have a strong application dimension, on the one hand by their nature and objectives, on the other hand by the fact that most programs have passed quite a lot of tests over time and can be considered performance tests, contributing to sustainable growth of the economy, as well as its sustainable development.

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