

MANAGEMENT OF OIL PRODUCT DISTRIBUTION

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***Abstract:** This article investigates the main strategies for the distribution of petroleum products. This assures the transport and storage of goods and services.*

***Keywords:** strategy, distribution, petroleum products, trades, transfer of ownership.*

1. Introduction

This article starts from the idea that we assume that the agent for the marketing of petroleum products has identified some strategic distribution variants and that he wants to find out which one is the best. To this end, he must evaluate each variant on the basis of criteria

Petrom is one of the companies that have an important share in Romania's economy. At the same time, Petrom tends to become an important and active regional participant in a globalized economy, expanding its petroleum distribution business and operating in neighboring or relatively close countries.

The prospects for the crossing of Romania by the oil transport buses increase the importance of Romania and, implicitly, of the Petrom SNP in the world trade in petroleum products.

The distribution thus considered does not transform the products but creates "utilities" It performs several identical functions, whether you are insured by the producer alone or through intermediaries: storage of stored goods, transactions (ownership transfer, financing) communication about certain attributes of petroleum products.

An important role is the physic-chemical characteristics of petroleum products which impose a certain way of distribution

Since distribution today is more than mere placement of products on the market, this activity must be carried out on the basis of the criteria of its economic efficiency.

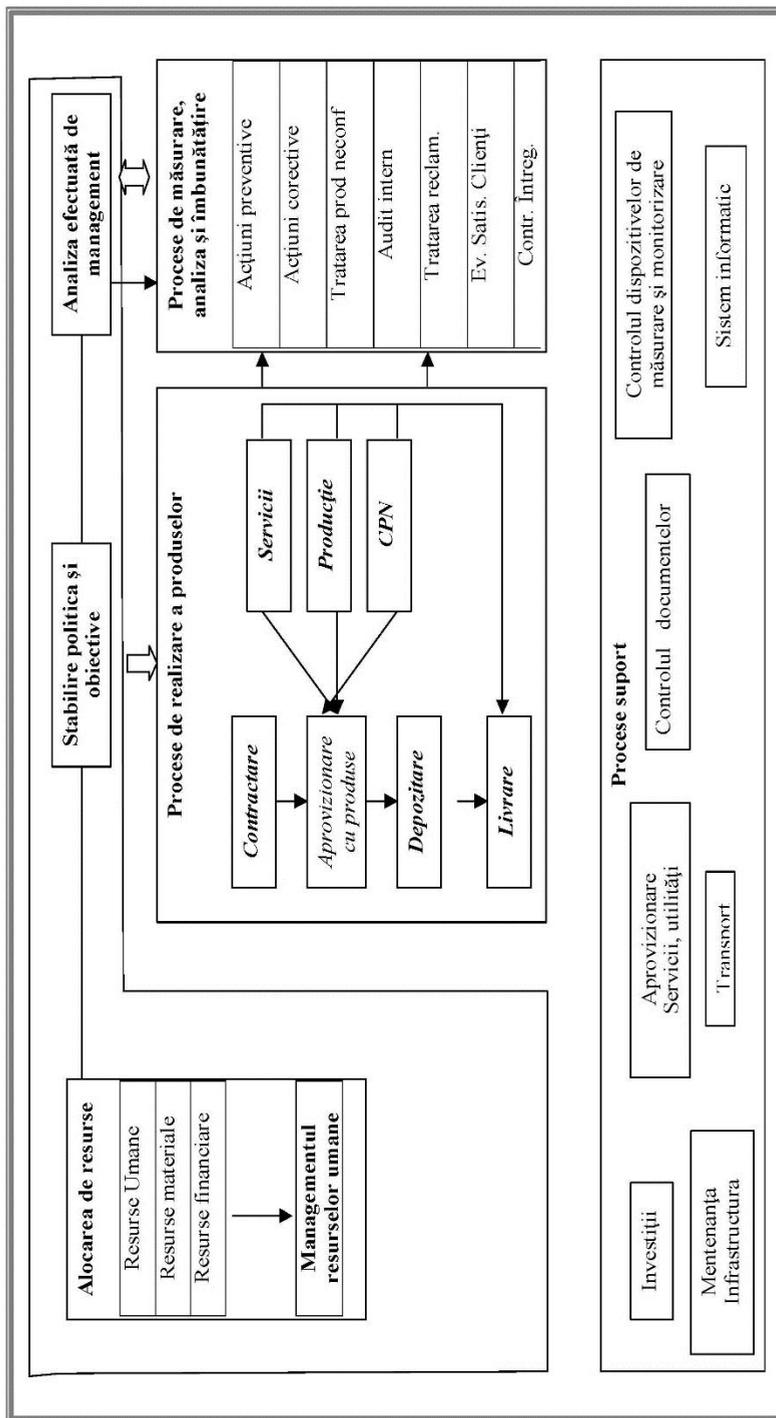
Main management processes in SNP PETROM

I. Main processes
Contracting of petroleum products
SUPPLY
Supply of petroleum products stations
Supply of petroleum products deposits
4Supplying stations with complementary products
STORAGE
Storage of petroleum products
DELIVERY
Delivery of petroleum products at distribution stations
Delivery of petroleum products to the customer from the warehouse
Delivery of complementary products at the distribution stations
PRODUCTION
Grossing oils
Addition of petrol
PROVIDING SERVICES
Car wash
Car maintenance (water / air colon / vacuum cleaner)
II. Management processes
Establish, update and communicate policy on quality and quality objectives
Management analysis
Allocation of resources
Human resources management
III. Support processes
Providing infrastructure through investment projects
Infrastructure maintenance
Control of measuring and monitoring devices

Transport
Document control (internally and externally)
Procurement, maintenance and management of the information and communication system
Supply to support branch processes
IV. Measurement, analysis, improvement processes
Handling Complaints
Customer satisfaction assessment
Internal Audit
Treatment of non-compliant product / service and corrective actions
Continuous improvement and preventive action
V. Sub-contracted processes
TRANSPECO tanker transport
Ordering for refineries and transport (eg CFR, TRANSPECO)
Evaluation and selection of suppliers of complementary products and petroleum products carried out by SNP PETROM SA Bucharest
Activities related to the approval of investment objectives
Planned infrastructure maintenance (except IT), technology deployment and maintenance
Unplanned maintenance of the infrastructure (except IT) Intervention when the problem exceeds the technical team's responsibility limits or whenever necessary
DMM control: verification or calibration activities (eg legal metrology laboratories)
Procurement and maintenance of the information and communication system: maintenance actions, new software or interdepartmental applications
Handling customer complaints: collecting complaints and suggestions through the Blue Line

The top management of SNP PETROM has decided to direct the whole activity to meet the requirements of its customers and other stakeholders by continuously improving the efficiency and effectiveness of its quality management system and processes.

Organizational Chart SNP PETROM S.A



The directions for action to achieve this are as follows:

- a. Promoting within the branch awareness of the importance of meeting customer requirements and legal and regulatory requirements
- b. Ensuring that continuous improvement is the primary objective for branch processes, and continuous improvement of SMC is the driving force for the branch's overall performance.
- c. Identify the processes of delivering services / products that provide added value for the branch.
- d. Establishing and applying the criteria and methods necessary to ensure that both the operation and the control of these processes are effective.
- e. Establishing specific objectives to improve the performance of the branch.
- f. Ensure branch-level quality planning and SMC processes to effectively achieve quality objectives and quality requirements for delivered services / products.
- g. Provide the appropriate functional structure and resources to achieve the established objectives and the effective functioning of SMC processes and their continuous improvement.
- h. Ensuring the effectiveness and efficiency of monitoring and measuring process capabilities, branch performance, and customer satisfaction.
- i. Regular and systematic analysis of data and information on policy adequacy and achievement of quality objectives on SMC effectiveness, product / service compliance with customer requirements and satisfaction.
- j. Establish and implement actions to continuously improve SMC effectiveness, processes and customer satisfaction.

4. Final considerations

In conclusion, at the level of SNP PETROM, the main processes and management activities cover five main directions, such as: main processes (supply, storage, production and provision of services), management processes (especially establishment, updating and communication of policy Quality Assurance and Quality Objectives), support processes (in particular infrastructure provision through investment projects), measurement, analysis and improvement processes (complaint handling, customer satisfaction assessment and internal audit) as well as subcontracts (TRANSPECO tanker transport , refining and transport ordering, evaluation and selection of suppliers of complementary products and petroleum

products performed by SNP PETROM SA Bucharest, as well as other such activities).

Finally, we appreciate that distribution programming consists of the development and implementation of a planned, dedicated, vertical distribution system that takes into account both the needs of the main distributor and distributor logistics service provider and those of its distribution network members. In this respect, a department is created within the distributor relations planning marketing service, which has the following functions:

- Establishes the objectives of oil products trading, g.p. and complementary products
- identifying the needs of network members
- Elaboration of marketing programs to help each member of his own distribution network to operate in the most favorable conditions
- Establishes training requirements for staff
- Establishes the way in which promotion, advertising activity is carried out
- Determines the size of inventories, the surface and organization of fixed points, distribution stations

It is intended to change the mentality of distributors and sales forces in general to replace the concept that their profits come primarily from purchases from the main intermediary with the conception that their profits are the result of the marketing activity carried out by the members of their own distribution recipe. The agent for the marketing of petroleum products does not have to consider the members of his own network as clients but as partners. Several ways to optimize with members of its distribution network:

- Establish a Distributor Board that meets periodically to discuss issues and trends in the marketing
- Knowing the activity of network members by assisting them with marketing and commercial service specialists
- Informing members of its distribution network about new products and how to use them, advising them how to act to increase their sales
- Collaborate with distribution network members to develop rigorous marketing plans for them
- Create a fast response system to network members' requests
- Keeping the telephone contact with the sales staff permanently

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