

## WAYS TO IMPROVE BUSINESS MANAGEMENT IN BROILER CHICKEN PROCESSING UNITS

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***Abstract.** Improving business management in broiler chicken production and processing units involves finding solutions to solve major problems in the technological flow by concluding firm contracts with production units that are able to diversify their activity according to market requirements, elaboration of the marketing plan at processing unit level, analysis of the competition and of the products offered by it for consumption and implementation of the most efficient measures to contribute to the improvement of the managerial activity in obtaining carcasses, storage, cutting and distribution to the market. Improving business management involves a series of measures to be adopted and implemented by high-performance processing units, for distribution in conditions of maximum economy, given that the broiler meat market carries out the activity of many companies of the same profile trying to impose their own products or brands for these reasons managerial solutions must be based on analyzes of the potential market, competing companies, future consumers, consumer preferences and patterns, message and marketing environments, sales logos and consumer loyalty. In order to maximize the business in the broiler chicken processing sector, the strategic directions of the processing management must also take into account the focus of marketing strategies on the following elements: product, sales, marketing, finance and consumers.*

***Keywords:** business, management, marketing, processing, broiler chickens*

### INTRODUCTION

Poultry production from commercial poultry herds has increased enormously, largely due to genetic selection in nucleus-breeding herds of poultry farms and the rapid transfer of these gains to commercial descendants. Along urbanization increases, the contribution of commercial breeds to global poultry consumption is growing faster, while indigenous

breeds continue to make large contributions to poultry consumption in the rural areas of most countries (1, 5, 10).

Various approaches have been used to improve the performance of indigenous stocks and increase recovery rates in obtaining and processing inclusive broiler chicken (2, 11, 12):

- cross breeding - the crossing of two parents from different populations/races/varieties;
- modernization by backcrossing - crossing a hybrid with one of its parents or with a genetically similar individual with his parents, with commercial breeds, as well as selection within the line;
- modernization of technologies for obtaining broiler carcasses (6, 8, 9);
- improving the handling of the entire technological flow of meat from the producer, processor, distributor to consumer (3, 4).

However, cross breeding and backcrossing require the maintenance of separate populations and result in a loss of chicks reducing the efficiency of meat production, but the use of selection within the line is successful only on a relatively large scale and under well-controlled operating conditions. Indigenous breeds used in the breeding and extensive exploitation of domestic birds in rural areas contribute to the genetic diversity of populations, therefore, there are significant managerial concerns that replacing indigenous breeds with commercial meat hybrids could represent a real threat to the genetic resources of domestic birds. For these reasons it should be noted that (11):

- production, processing, distribution technologies have become more and more efficient;
- beef rearing rates have doubled in recent decades;
- feed conversion rates have halved;
- meat processing yields have increased;
- marketing management has improved.

Depending on the age of the genetic material exploited, the area distributed per bird/heard, the production technology, the quality of the carcasses obtained by processing and the economic efficiency of the business differ. The farmer must pay a special attention to energy efficiency, feed reserve, feeders, heating systems and cooling, (2, 7) and meat processors and distributors on the market ways to improve business management through strategies implemented throughout the technological flow.

## **MATERIAL AND METHOD**

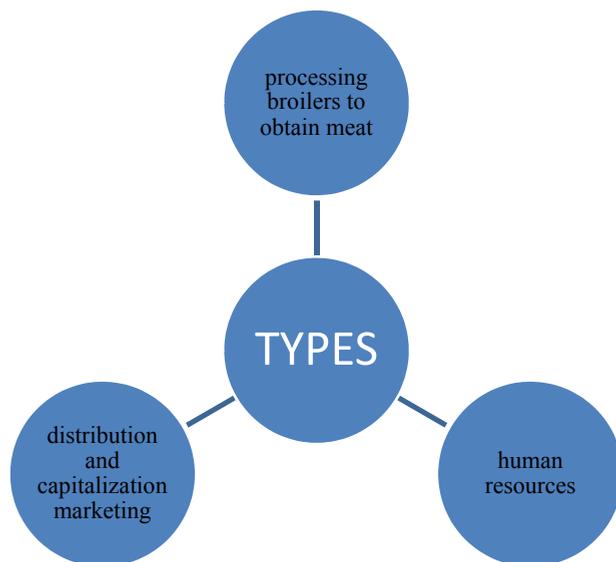
The research was carried out in a unit for obtaining and processing chicken broiler meat where an important role of involvement in processing and distribution belongs to managers and human resources involved in obtaining carcasses and sliced portions but also to marketing specialists who deal with capitalization production obtained. The objectives of the research on improving the business management of broiler meat processing units focused on aspects for which managerial solutions were sought on processing methods, human resource qualification and specialization on production stages according to the requirements imposed by quality management in critical control points and marketing management, by analyzing sales, market competition and imposing their own products/brands by retaining meat consumers and broiler meat specialties. In order to improve the business management, based on the management methods, used in the research, we proposed concrete solutions that would contribute to the maximization of the business and to promote on the market our own products/brands in competitive conditions by:

- a. developing the business according to the trends on the meat market and in the production industry by specializing the production according to the competition;
- b. implementation of managerial measures in critical points to improve processing activities and increase recovery yields when cutting broiler meat;
- c. obtaining products/brands at lower production prices than market competitors;
- d. coordination by marketing specialists of the distribution of products / brands on the market according to the needs of consumers;
- e. implementation of managerial measures to improve marketing management and promote their products for capitalization.

## **RESULTS AND DISCUSSIONS**

In order to improve the business management in the broiler meat obtaining and processing unit, it is necessary to give major importance through the measures that we take to maximize the business, to the following types of management:

- of processing broilers to obtain meat;
- of human resources;
- of distribution and capitalization marketing



*Figure 1. Types of management that should be given major importance for maximization business in broiler meat processing units*

1. The management of the processing includes in the process of obtaining the meat and products cut from broiler chicken a series of activities that aim at:

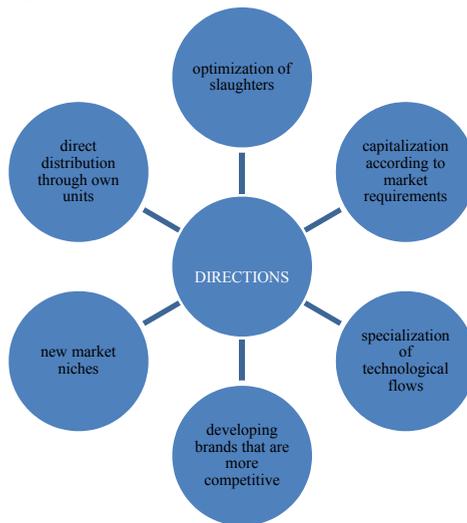
- obtaining meat at good economic returns compared to the competition, developing the business by promoting own products and brands, trade in meat and meat products according to the needs of consumers;
- improving the economic activity of the processing unit by implementing managerial measures on the technological flow, which would improve the business management;
- improvement of meat storage, cutting and distribution technologies, compliance with the requirements regarding the quality and sanitary-veterinary management.

It is necessary for the improvement of the management of the annoyances that on the technological flow of obtaining the broiler carcasses to improve the skills of efficient management of the processing by:

- economic improvement of recovery yields;
- business growth through sliced and packaged broiler products/specialties, through marketing strategies;
- implementation of the best quality management and sanitary-veterinary to ensure a good traceability of meat:

The strategic directions of the processing management will contribute to the improvement of the business management and the maximization of the processing unit if the measures taken will be oriented towards:

1. optimization of slaughters, through firm contracts with chicken suppliers for slaughtering;
2. capitalization according to market requirements, carcasses, cut products;
3. specialization of technological flows and obtaining own safe sanitary-veterinary products;
4. developing brands that are more competitive than those of competitors on the meat market;
5. new market niches;
6. direct distribution through own units and through intermediaries of own products and brands.



**Figure 2.** Strategic directions of processing management to maximize the business of the processing unit

We believe that in order to maximize the business in the broiler meat processing sector, the strategic directions of the processing management must also take into account the focus of marketing strategies on the following elements: product, sales, marketing, finance, consumers because:

- processing units focused on product, first purchase their own production or purchase it on a basis contract and then ensure distribution;
- processing units focused on sales distribute a large part of their processed products directly through their own stores;

- processing units focused on finance distributes products/brands on the market without problems because they do not differ qualitatively from those of competing companies;
- processing units focused on marketing and developed their own brands, by improving distribution management, implementing specific strategies on pricing policy and promotion moments to capture new market niches;
- processing units whose activity is focused on consumers, carry out forecast studies on broiler meat consumption in potential markets, informing about trends in new directions from the broiler meat industry.

2. The management of human resources within the processing units must comprise the following elements:

**a.** strategic human resources management, which aims to improve economic activity through specialty recruitment, increase the qualification of staff on the technological flow and their flexibility to cope with certain stages of processing, contributing to business maximization and distribution as an organizational function of management through:

- its intensification by involving human resources in delivery to the market;
- mediating products/brands through rational marketing;
- improving the image of the processing unit by delivering the packaged products/brands;
- the reward for the contribution made according to the degree of specialization.

**b.** quality management, allows the realization of products/brands with high efficiency, through human resources with a high degree of qualification, training, used on the technological flow of processing, which through professionalism, skills and attachment to the proposed objectives, contributes to business maximization and increasing consumer confidence in the broiler market.

**c.** technological globalization, through human resources, contributes to the increase of the economic efficiency of the processing units and implicitly to the maximization of the business by:

- involvement on the technological flow of processing and contribution to the increase of recovery yields;
- technical skills for handling high-performance machines for processing, evisceration, cutting, packaging;
- satisfying the most sophisticated requirements on the market, through the degree of competence of the human

resource, used in processing, cutting, packaging, distribution.

We consider that human resources management, taking into account the three elements, should be approached in a broader context within the chicken broiler meat processing units according to:

- performance of technological flow, automation and computerization of some activities;
- the degree of performance, skill and specialization of the human resource;
- specialization of production on products and brands;
- the way of distribution of products/brands on the market, directly or through intermediaries.

3. Marketing management, within broiler meat production units through marketing practices, differs from strategic marketing because it focuses on consumer preferences from an economic, psychological and sociological perspective and not on goals and planning methods such as strategic marketing for achievement a number of broilers, achievement a quantity of meat, achieving recovery yields at slicing, obtaining a quantity of sliced product. In order to improve the economic activity, maximize the business and for a good production management of the processing unit, based on the consulted specialized literature we propose the elaboration of a modern marketing strategy and a management plan for a broiler meat processing unit with multiple adaptation possibilities for other units whose object of activity is the obtaining and processing/cutting of broiler meat.

The elaboration of own marketing strategy specific to the processing unit, will have to avoid the unfavorable effects of the financial activity:

- repeating the strategy without updating the objectives to be achieved;
- implementation of new distribution solutions if the conditions in the broiler meat market do not require it.

The main premises underlying the marketing strategy must be aimed primarily at business success:

- a. target market;
- b. identification of correspondence that responds to profitability by quantitatively evaluating the actions to be taken;
- c. the needs of the consumer for the product/brand offered;
- d. evaluation of marketing objectives;

The marketing plan of the processing unit to be successful must be based on a medium-term strategy that will include the following basic components:

- the situation of the potential market;
- the factors influencing the market conjuncture;
- scenarios to follow;
- the future position of the processing unit on the broiler meat market;
- the steps taken to achieve a position on the meat market;

This marketing plan includes the mandatory elements described in detail by specialists in the field, to which we add a new concept of approach in their presentation, for chicken broiler meat processing units through:

for broiler meat processing units\* (internal and external information, purpose of marketing objectives, new specific marketing strategies, marketing program, analysis of concrete results compared to those expected;

-internal and external information, about the analysis of the existing situation in the unit;

-the purpose of marketing objectives;

-new specific marketing strategies for each component of the mix:

a. product strategy;

b. pricing strategy using the tools: bonus, discount, price list, repayment period, price reduction and sale on credit;

c. distribution strategy, using channels, warehousing, inventory management, distribution networks, transport logistics, which is to be carried out for meat processing units in three ways: with the help of its own apparatus, with its own apparatus and with intermediaries from distribution, only with intermediaries;

d. the strategy for promoting the products/brands of the processing unit, based on concrete objectives based on:

- promotional budget;

- promotional calendar;

- results of promotional campaigns.

-marketing program, with concrete actions for the processing unit:

a. launching products/brands - establishing an advertising campaign

b. promotional sales - establishing promotions;

c. achievement performance - performance monitoring;

d. editing a specific concrete program for each processing unit.

-analysis of the results obtained compared to those expected- the control and analysis of the marketing activity in the processing unit subject to the business maximization process by improving the marketing's management.

## CONCLUSIONS

In order to improve the business management in the broiler chicken meat production and processing units, it is necessary to give major importance through the measures taken to maximize the business, the following types of management, processing and obtaining broiler chicken carcasses, human resources management within the processing units must include the strategic management of human resources, which aims to improve economic activity through specialized recruitment, increase the qualification of staff on the technological flow and their flexibility, quality management and technological globalization.

The management of human resources through the three elements must be approached in a broader context within the chicken broiler meat processing units depending on the performance of the technological flow, automation and computerization of activities, the degree of performance, skill and specialization of human resources and production specialization of products and brands as well as the market distribution of the processed production. As the marketing plan of the processing unit to be successful, must be based on a medium-term strategy that includes the following basic components, potential market conjuncture, influencing factors, scenarios to follow, and the future position of the processing unit on the market and the steps to be taken to reach the position on the chicken broiler market.

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