

# Sales Expansion Strategies for S.C. Minimal A.P: A Sustainable Business Growth Approach

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## ABSTRACT:

One of the most critical aspects of this paper is identifying the key factors that determine the success of a sales expansion strategy. These factors include analyzing the market and competition, developing an effective marketing plan, and identifying customer needs. The paper will also examine the various sales channels available to the company, including direct sales, online sales, and partner sales. The advantages and disadvantages of each channel will be evaluated, along with strategies for integrating them into the overall sales expansion plan.

Another essential component of this study is assessing how technology can support a company's sales growth efforts. The analysis will consider technological solutions that enhance the efficiency and productivity of the sales process, as well as their potential to improve the overall purchasing experience for customers.

Finally, this paper will present an overview of the different approaches to increasing a company's sales, offering a detailed analysis of the advantages and disadvantages of each method and how these can be effectively implemented in the specific context of S.C. MINIMAL A.P.

*Keywords: development, resources, sales,, supply*

## 1. Introduction

This paper provides an important contribution to understanding how companies can expand their business through increased sales and enhanced profitability. It examines a range of strategies and tactics that S.C. MINIMAL A.P. can employ to boost sales performance, expand its customer base, and diversify its market reach.

A central focus of the paper is identifying the key factors that determine the success of a sales growth strategy. These factors include market and competition analysis, the development of an effective marketing plan, and the identification of customer needs (Zhang et al., 2017). The study also evaluates the different sales channels available to the company, including direct sales, online sales, and partner sales, assessing their respective advantages and disadvantages, and exploring how they may be integrated into an overall sales expansion strategy.

Another significant aspect is the analysis of how technology can be leveraged to support sales expansion. This includes examining technological solutions that improve the efficiency and productivity of the sales process and enhance the purchasing experience for customers (Baye & Morgan, 2001).

Finally, the paper provides an overview of the various approaches to increasing a company's sales, offering a detailed analysis of the strengths and weaknesses of each

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strategy and guidance on their effective application within the specific context of S.C. MINIMAL A.P.

### Company Overview

S.C. MINIMAL A.P. is a confectionery enterprise specializing in the production of fresh pastries and confectionery products. Founded in 1991, the company remains in operation today as a medium-sized business employing 180 staff members. The bakery offers a wide variety of cakes and pastries with rich flavors and a minimalist, modern presentation. Its product range includes cakes, customized celebration cakes, macarons, eclairs, tarts, butter pastries, cookies, muffins, and ice cream.

Minimal Bakery distinguishes itself through its use of high-quality ingredients, traditional pastry-making techniques, and innovative approaches to presentation and flavor combinations. Its modern, minimalist design and welcoming atmosphere make it a popular choice for various events, including private gatherings and corporate functions (Armstrong, 2006).

The corporate market represents an important growth segment for Minimal. Many companies and organizations order pastries and confectionery items for business events, meetings, conferences, product launches, and other special occasions. The company has established a strong presence in this sector, offering prompt, professional service, operational flexibility, and effective client communication. It also provides customized products tailored to the specific needs and preferences of corporate clients (Barwitz & Maas, 2018).

An additional advantage of the corporate market is the opportunity to build long-term relationships with local businesses and organizations, potentially leading to recurring contracts for supplying products to corporate events (Awad & Krishnan, 2006).

## 2. Economic and financial analysis of the company S.C MINIMAL A.P

Economic and economic evaluation is represented with the aid of using a fixed of methods, techniques, ideas and approaches that cope with the dependable processing of inner and outside information, as a way to formulate an good enough evaluation of the monetary and economic scenario of the business enterprise and to become aware of the factors, situations and reasons that decided it (David& Adida, 2015).

### 2.1. Turnover evolution

In 2019, turnover showed an improvement compared to 2018, of 1,242,575 RON, respectively by 9.79 percentage points. This increase was influenced by the substantial increase in total revenues, of 3,536,663 RON, respectively by 27.76 percentage points.

In 2020, turnover showed a decrease compared to 2019, of 1,488,784 RON, respectively by 10.68 percentage points. This decrease was influenced by the decrease in total revenues, of 142,032 lei, respectively by 0.87 percentage points.

In 2021, turnover showed a major improvement compared to 2020, of 3,172,425 RON, respectively by 25.48 percentage points. This increase was influenced by the substantial increase in total revenues, by 4,296,810 RON, or 26.63 percentage points.

**Table 1.** Enterprise profit margin

Years	2023	2022	2021
Net Profit/Loss	844,616	154,024	682,811
Turnover	15,622,802	12,450,377	13,939,161
Ratio	5.4%	1.2%	4.9%

Source: <https://www.risco.ro/>

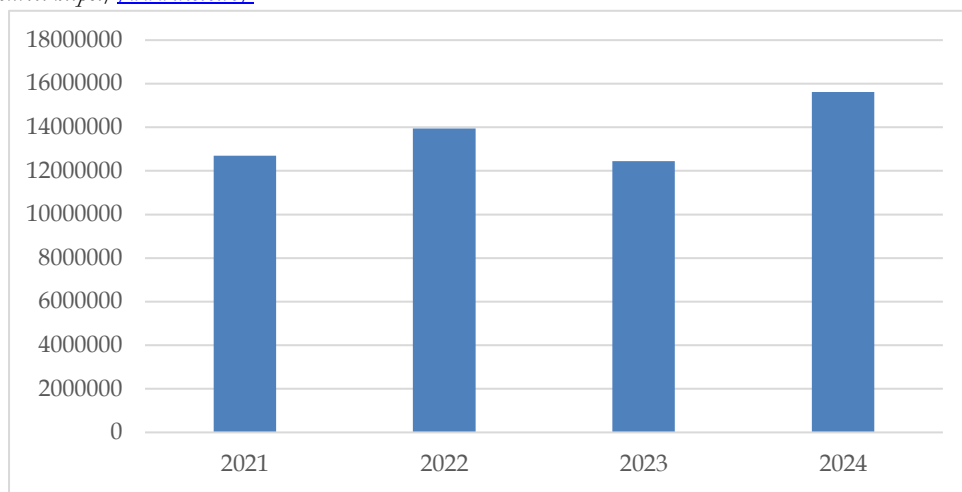


Figure 1. Turnover evolution in the period 2021-2024. Source: <https://www.risco.ro/>

Based on the data in the table, we can see that the company's profit margin ranged from 1.20% to 5.4%. In 2021, the profitability rate was 4.9%, generating a profit of 4.9 lei for every 100 RON of revenue. In 2022, the profitability rate decreased by 3.7 percentage points, reaching 1.2%, generating a profit of 1.2 RON for every 100 RON of revenue. In 2023, the profitability rate increased by 4.2 percentage points, reaching 5.4%, generating a profit of 5.4 RON for every 100RON of revenue. Based on this data, we can see that, during the COVID-19 pandemic, the profitability rate decreased drastically, due to the reduced sales made by the company.

## 2.2. Economic viability analysis (efficiency of human resource use)

**Table 2.** The value of quantitative indicators

Indicators	2023	2022	2021
Turnover	15.622.802	12.450.377	13.939.161
Wage base	300.672	324.444	337.668
Average number of workers	114	114	108

Source: <https://www.risco.ro/>

As we can see from the period studied, a strong point of the company is due to the respect of the correlation between the turnover index and the wage fund index ( $ICA > IFs > INs$ ), this positively affecting the well-being of employees and the profitable conduct of activities. Due to the fact that the turnover increased more rapidly than the wage fund, a positive and beneficial impact was felt for both costs and the profitability of the company (Shankar et al., 2020).

**Table 3.** The value of qualitative indicators

No	Indicators	2023	2022	2021
1	Labor	129.066.31	109.213.83	137.042.12
2	Productivity	2.784	2.846	2.962

Source: <https://www.risco.ro/>

And in this case, the correlation is respected, because  $\overline{IS} > IWa$ , which can be considered a strong point within the company, from the point of view of efficiency and competition. Following the analysis of the economic viability potential of the enterprise S.C. MINIMAL A.P, for the period 2019-2021, we can observe that the enterprise presents a high potential for economic viability.

### **2.3. Evolution of product sales at the company S.C MINIMAL A.P**

In 2019, product sales showed an improvement compared to 2018, of 283,507 lei, respectively by 7.37 percentage points. This increase was influenced by increased demand and the increase in the number of loyal customers. Positive and favorable influence.

In 2020, product sales showed a decrease compared to 2019, of 442,020 lei, respectively by 10.70 percentage points. This decrease was influenced by the increase in product prices caused by the increase in production costs. Negative and unfavorable influence. In 2021, product sales showed a major improvement compared to 2020, of 1,206,594 lei, respectively by 32.72 percentage points. This increase was influenced by the improvement in the pricing strategy and the increase in productivity.

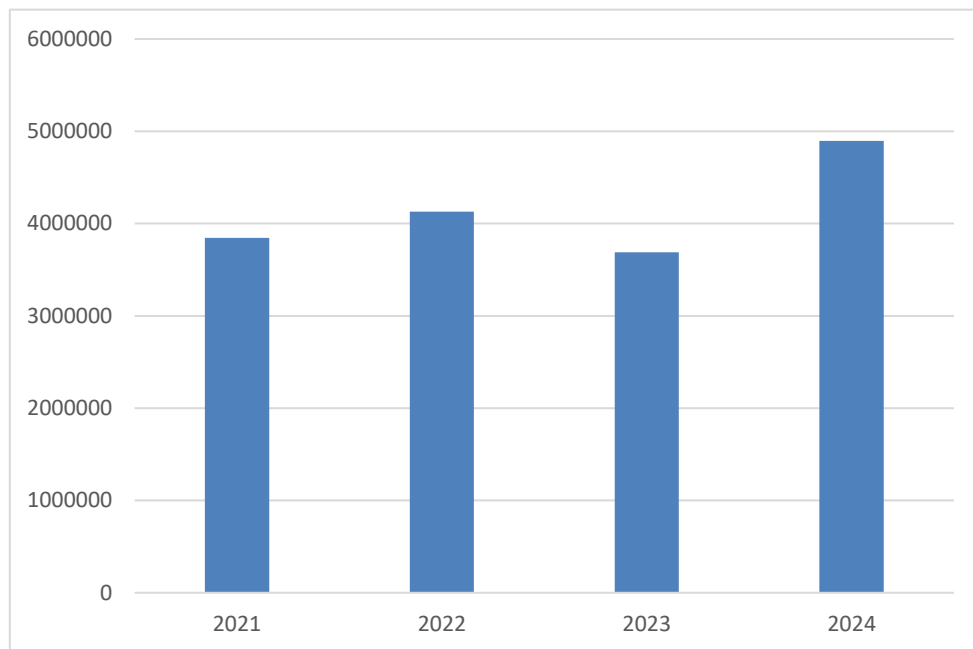


Figure 2. Product sales evolution in the period 2021-2024. Source: <https://www.risco.ro/>

As we can see from the figure below, in 2020, the sale of a quantity of 62,830 products was recorded, this represents a decrease of 23,236 products or 27 percentage points, a significant decrease, compared to 2019, in which the sales of 86,066 products were recorded.

In 2021, the sale of 72,181 products was recorded, thus observing an increase in sales by 9,351 products or 15 percentage points, compared to 2020 in which the sale of only 62,830 products was recorded. Positive and favorable influence.

#### 2.4. Return on sales (Rv)

From the perspective of economic content, sales profitability represents the ability of a company to transform sales into profit (Rochet& Tirole, 2003).

As we can see from the above data, in 2019, the company presented a sales profitability level of 16.53%, resulting from increased market demand and an effective pricing strategy. In 2020, sales profitability decreased substantially, reaching 4.18%, influenced by increased production costs and decreased sales. In 2021, the company managed to achieve a higher level of it, compared to the previous year, reaching 17.26%, due to cost optimization and increased demand for products on the market.

#### 2.5 Inventories of finished products and raw materials

In 2019, stocks showed an increase compared to 2018, of 193,942 lei, respectively by 44.02 percentage points. This increase was influenced by the increase in production, respectively the decrease in sales. Negative and unfavorable influence.

In 2020, stocks showed a decrease compared to 2019, of 140,006 lei, respectively by 22.07 percentage points. This decrease was influenced by the increase in the number of customers, respectively the increase in market demand. Positive and favorable influence. In 2021, stocks showed a decrease compared to the value of stocks in 2020, of 106,610 lei, respectively by 21.56 percentage points. This increase was influenced by the constant increase in demand for sweet products. Positive and favorable influence.

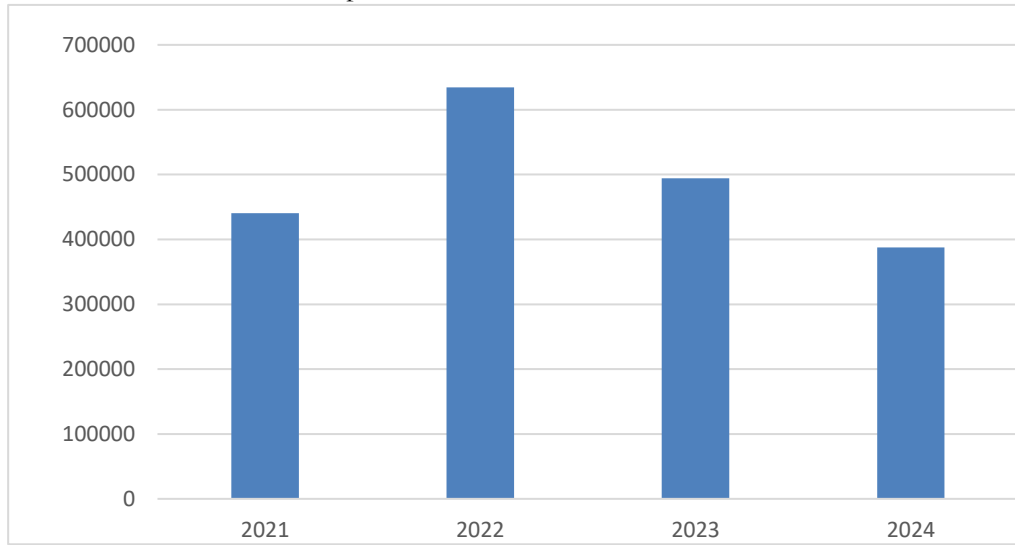


Figure 3. Evolution of stocks in the period 2021-2024. Source: <https://www.risco.ro/>

Analyzing the evolution of sales of sweet products of the Minimal A.P confectionery, carried out during the period 2019-2021, we can observe a significant improvement in sales in 2021 compared to the previous year, showing an increase of 32.72%. This increase was influenced by increased productivity, increased demand for products and optimization of the production process.

Also in 2021, the second highest quantitative sale of products was recorded, the company recording the sale of 72,181 products, surpassed only in 2019, with the sale of 86,066 sweet products. Among the product categories presented, cakes had the greatest contribution, their sales value representing 34% of the company's total sales, achieved in 2021.

Due to the fact that sales revenues did not fluctuate much, and the profit obtained reached a satisfactory level, the sales profitability rate showed an increase in 2021 compared to the previous year, reaching 17.26%. This was influenced by cost optimization and increased demand for sweet products on the market.

During the analyzed period, finished product inventories were continuously decreasing. In 2020, inventories decreased by approximately 6,000 RON, and in 2021 they will continue to decrease, reaching 19,393.5 RON. This constant decrease represented a positive and favorable situation for the company.

### 3. Proposals for achieving the company's strategic objectives

A company's strategy is a plan created to achieve the objectives that a company proposes. Strategy fulfills many roles, including: ensuring consistency, concentrating resources to achieve objectives and ensuring flexibility (Emrich et al., 2015).

The company S.C MINIMAL A.P chose to use the concentration strategy, thus being able to differentiate its products from those of its competitors and at the same time managing to retain its customers in a unique and valuable way. Due to the company's focus on the customer segment, which appreciates high-quality sweet products and carefully prepared artisanal products, the confectionery was able to enjoy significant success within this market (Bran et al., 2023).

Strategic objectives are an important tool for the company S.C MINIMAL A.P, with which the company can monitor and measure the progress made over a certain period of time. Among the many goals that the confectionery company has in mind, there are:

- Increasing the production capacity of sweet products by 16% in the next two years. To achieve this goal, the company will have to purchase new equipment, more efficiently than the old ones. This equipment can be purchased in larger numbers or directly replaced, depending on the current situation and the age of each one. As an example, we can take the baking ovens. These do not need to be replaced, as they are still efficient, however, purchasing another oven will help the company reduce preparation time and increase production capacity. Another way to increase production could be to hire a larger number of competent confectioners, who have experience in the industry, and who are able to cope with the pressure and the high number of orders (Balu et al., 2021).

- A second goal that the company wants to achieve is to reduce certain costs by a percentage of 10%, over the next year and a half. This objective can be achieved through several actions. A first possibility is represented by the optimization of supply processes. These can be optimized by carefully analyzing demand fluctuations, and then, the information obtained based on this analysis is used to estimate the necessary quantities of raw materials. Another possibility is the renegotiation of certain contracts held by the company with its suppliers or the search for new suppliers that offer greater financial advantages for the company, compared to the current ones (Pu et al., 2011).

A final option is to reuse some raw materials. Reusing raw materials in the bakery can be an effective way to reduce waste and optimize costs. To implement this idea, you can start by reusing leftover dough to make other sweet products, such as cookies or mini tarts, or by reusing leftover chocolate, which can be used to decorate or glaze other cakes (Lemon& Verhoef, 2016).

Increasing sales is essential for the success of a business. Constant growth can bring numerous benefits, as sales represent a source of income for the company, generating profit and ensuring the financial stability of the bakery (Jiang et al., 2016).

But in addition to the financial aspect, increasing sales largely contributes to the development and consolidation of a business (Orzan et al., 2020). By increasing sales, the Minimal bakery can increase the variety of products and services offered, or can attract the attention of new market segments, thus generating new opportunities for business growth (Stanciu et. Al., 2020).

There are many ways in which the S.C MINIMAL A.P. enterprise can increase its sales. These include: increasing and improving your online presence, implementing promotional campaigns to attract customers, or re-engineering your business.

Using promotional campaigns can make a big difference in your business's sales. They can help increase your visibility and notoriety, as well as attract new potential customers. Promotional campaigns are an effective way to retain your current customers, test and introduce new products, and gain a competitive advantage over other bakeries (Huang& Swaminathan, 2009).

The bakery can also implement a loyalty program for its customers. Employees at the locations can offer customers points or stamps when purchasing a product, with the promise of receiving a free product or a discount when the required number is accumulated. Another way can be to create an online contest. The bakery can use the social networks at its disposal to announce new offers or news about the bakery. Pictures or videos of the products offered by the company can be posted, and with their help an online contest can be launched, through which users can receive a discount or a gift voucher, by sharing and tagging friends in the posts.

## Conclusion

The concentration strategy adopted by the company S.C MINIMAL A.P. has enjoyed positive results in terms of customer loyalty and product differentiation. By focusing on the segment of customers who appreciate high-quality sweet products, the confectionery had the opportunity to differentiate itself from the competition, thus gaining a distinct place in the Bucharest market.

As a result of using this type of strategy, the company managed to build a solid reputation and name in the industry, accompanied by a competitive advantage in the sweet preparation market in Bucharest. Also, using the concentration strategy has allowed the company to direct its human and financial resources more efficiently, focusing on the quality of the products, not just their quantity.

The enterprise's goals are to growth manufacturing capability by 16% withinside the subsequent years, through hiring greater certified personnel and through shopping new, greater green devices than before.

The enterprise additionally desires to growth earnings by 15% through the give-up of the subsequent years, in comparison to the cutting-edge situation. This alternative could be supported through diversifying the product variety and notably enhancing the advertising strategy. Finally, the enterprise desires to growth the range of ready and certified personnel by 10% withinside the subsequent 12 months, through the use of exclusive recruitment channels.

From the point of view of marketing strategy, the company S.C MINIMAL A.P must bring numerous improvements to its level, which is why it is suggested to explore different ways to improve this type of strategy. In order to increase the level of sales recorded by the company, two main methods of promotion were proposed.

One of these is represented by the use of online campaigns and participation in various fairs or other types of events.

Within this method, the confectionery could resort to the use of paid campaigns in the online environment, thus being able to attract the attention of a larger audience of potential customers or could participate in fairs, thus having the opportunity to interact directly with potential customers.

The second method refers to the implementation of various loyalty programs, which encourage customers to regularly purchase products from the company. Both methods come with their own advantages and disadvantages.

In conclusion, the previously presented re-engineering measures aim to increase the performance of the S.C MINIMAL A.P enterprise and to increase its success, with the help of a concentration strategy, by achieving strategic objectives and by increasing sales achieved based on promotional campaigns and online promotion. These measures are essential for ensuring stable and constant growth and to be able to obtain a competitive advantage in the confectionery industry market in Bucharest.

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