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STRATEGIC PORT MANAGEMENT – BETWEEN TRADITION AND REFORM

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Abstract

In order to meet the European and global standards in the maritime industry, extensive efforts are required that aim at re-arranging all system components in a logic vision, upgrading the existing infrastructure to an efficient level, protecting the environment, providing security to passengers, stimulating the private initiative, restructuring transport capacities, reshaping cultural awareness of institutions that operate in this sector.

Maritime or inland ports have been facing complex issues: fluctuating demand for transport, significant technological changes (container transport, telecommunication, computerization); environmental constraints including global shipping management to support the place of ports, the necessity of a dialogue among all participants involved in port activities as well as compliance with all rules and regulations regarding competition and transparency. Moreover, European transport integration is an issue related to the integration of large dynamic systems that rely on changing the national systems in order to meet the requirements of the European ones, and based on harmonizing the existing infrastructure networks, standards, rules and regulations. At the same time, the strategies that should be adopted require the avoidance of the risk related to the less developed transport systems that may orbit around the developed ones, providing solutions to the issues regarding authority and power in integrate power in integrated logistics systems.

Keywords: *globalization; maritime industry; maritime management; strategy; maritime marketing.*

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1. Precision

1. 1. Aims and objectives

The present paper aims at revealing how important management and marketing are in a special zone of economy, namely the port zone by highlighting the problematic issues that require sustainable development of the entire port industry and by presenting the effects and impact of the current policies and regulations upon port activities. Moreover the current economic context requires the adoption of sustainable port management and marketing programmes, whose elements focus on the operating, maintenance and development of port activities in order to achieve the intended efficiency parameters.

1.2. Objectives

- To point out significant aspects related to the necessity of port reform and the importance of quality port management as key factors that enable the transition of large economic systems such as the port industry to a sustainable development;
- To show port management characteristic elements in order to implement specific viable policies and strategies in the port industry, which can contribute to the development and improvement of port activities;
- To highlight the strategic attributes that can ensure performance and success to the port system in conducting port activities.

Materials and Methods: documents provided by port administration sites, research provided by competent bodies delivered during conferences held on topics related to the issues tackled, empirical studies, qualitative research, secondary analysis, analysis and synthesis.

2. Introduction

Numerous companies are stagnating not due to the lack of energy or personal ambition but to the lack of realism and also to the failure to define goals and failure to acknowledge the fact that the organisation cannot be oriented to solve short-term problems. In this respect, strategic management can offer a thorough analysis of the competitive behaviour of the market, estimation of opportunities and substantiating decision-making on the available resources.

The transition from the traditional to modern guidelines involves significant changes in the structure of the mechanisms generating the market's current and future dimensions, which in turn impose the

reshaping of the management systems and rethinking strategic activities in order to show dynamism, creativity, flexibility and functionality inherent in the market economy system.

The increasingly expanding globalization has exacerbated inequality in several countries, providing insufficient development opportunities for certain fields of activity, which might have become powerful engines for change and economic growth. Thus, within the context of market globalization, port activities may be regarded as an important factor in maintaining and increasing European competitiveness, which relies not only on the technical quality or productivity but also on all types of transport, on the possibility of improving the infrastructure, with the purpose of increasing accessibility of other sectors of the new market economy, of integrating technical breakthroughs and benefiting from these innovations.

Moreover the essential changes that have occurred in the port industry over time, have also had a continuous and significant impact not only upon some other important sectors of the economy but also upon the port activity and management. It should be emphasized that all these changes require a more active and competent involvement of the government particularly regarding the applied strategies that deal with the existing regional discrepancies in providing infrastructure, in training staff and managing the economic and financial levers to determine an accurate and fair pricing mechanism for port services.

Under these circumstances, the port industry which is in fact a global industry is aware of the urgent need for some effective measures that should be taken in order to achieve sustainable development of all port activities. Moreover the current financial crisis provides opportunities to governments for shaping and completion of investments in the port area and for adopting strategies to support this long-term development and to enable all countries to collaborate and cooperate in a global economic system.

3. Place and role of strategic port management in developing port activities

Like in any other economic entity, in ports the management seeks through well-defined objectives to enable port authorities to manage how to achieve goals, to take measures, new directions for action and development in compliance with the environment they operate.

To emphasize the importance of achieving a viable management on the port industry level, we developed a descriptive model that shows

its place and role in a highly complex and dynamic environment, where both river and sea transport have a significant contribution to the reshaping the natural, geographic, economic, social, technologic, politic, legal and computerised environment as well as to its dynamics. The role of port is noticeable from all the above-mentioned perspectives even if its activity is mainly economic. Thus, the port system is an extremely complex one and it is connected to all entities from nature and society, relationships that are achieved due to exchange of goods, services, information, money, rights and obligations, behaviour and activity of the people involved in these activities.

This descriptive model deals with essential components that are specific to ports, namely:

- management of financial resources in order to provide equitable and transparent conditions to investors, port operators and users who tackle legal issues related to the role of port authorities, public financing, port leasing, technical and naval services, services of cargo handling, port charges and competition with third countries;
- land management, due to the hindrances generated by the capacity, connections and organization, requires optimum conditions regarding the access to port land and port services for an integrated management of the port system. In this respect, the revision and development of land-use regulations is required as well as modernizing the IT systems, creating new security and telecommunication systems, purchasing new port equipment, interoperability of European surveillance systems that plays an important role in simplifying transport procedures and supporting the development of the naval and maritime transport activity within the internal market;
- infrastructure involves certain procedures, standards and equipment that are required for proper performance of all port activities, employing various institutional and legal systems as port management tools;
- environmental management should ensure viable port operation, especially when the volume of cargo shipped increased significantly and the negative effects of port activities including pollution and congestion are also increasing. On the other hand, rising environmental management standards in ports and achieving a balance between environmental protection and

economic growth requires the use of effective economic tools which enable better management of the environment;

- HR management and other social aspects put a great emphasis on the specific rules and regulations regarding professional training of port workers, ensuring flexible employment and social dialogue, and last but not least enhancing the public image of ports.

When this model is applied, it also includes an integrate approach of the port management components in the view of optimizing the efficiency of the entire transport system, organization and security of cargo and passengers transportation in order to reduce energy consumption and to diminish the negative effects upon the environment as well as to provide conditions for equitable competition among possibilities of transport by fair imposing of costs it generates.

The special role played by management in the current economic environment is required by the necessity of a general capacity of innovation and flexibility and even if the environment is uncertain, management should be as stable as possible to maintain a balance between the old values and the new ones, between tradition and innovation, which ensures the success of opportunities even in most constrained circumstances.

4. Port development strategy and performance

On the other hand, the adoption and implementation of viable measures and actions within a coherent policy will enable the implementation of a professional, service-oriented port management, the adoption of favourable regulations to ensure high quality, development of a modern port infrastructure and efficient transport connections. These will encourage private companies to develop relations and to operate in ports in order to attract national and international investors as well as to achieve European and global port standards regarding the quality of services, safety and environmental protection.

Passing through difficult times, adopting efficient solutions, the perspective of economic stabilization, implementing viable long-term policies and strategies to the port industry are aspects that provide proper conditions for port activities to develop harmoniously in order to cope with the European and world competition.

At the same time, port authorities should be aware that the adoption and implementation of a master plan is a priority for the entire port system reform in order to accomplish medium and long-term port strategic planning by 2040, by ensuring proper conditions for port

development continuity, effective exploitation of the existing resources and infrastructure taking into account the real needs of the market. Strategic decision-making will rely on this master plan until 2040, as well measures that are to be taken for optimum planning of investments in port activities, approached in a harmonized vision, projects, port areas thus enabling ports to serve both national and international market demands in the context of port competition and globalization.

The Danube and the Black Sea region is regarded as a link with Europe, Asia and the Middle East, which is characterized by a huge potential concerning resources transit, fisheries and transport connections. On the other hand there are threats and challenges which can be treated in a cooperative manner though. Romania is promoting a sustainable and strategic approach of the region, aiming at ensuring due to regional cooperation a region of democracy, security, stability and prosperity. In this context it is important the EU expansion strategy for the Danube region to the Black Sea region and it is essential in this respect the development of the Black Sea and Maritime Danube EU ports including oil and gas terminals and of the infrastructure for intermodal transportation. On the other hand, the Integrated Maritime Policy (IMP) aims at improving the efficiency of various policies of the maritime sector through a better coordination. IMP covers transversal policies, such as blue growth, learning about the marine environment, planning maritime space, integrated maritime surveillance and strategies on sea-basins and aims at long-term development of the entire maritime sector, focusing on the existing, emerging and potential activities, such as: short sea shipping, coastal tourism, exploitation of wind energy through wind farms built offshore, water desalination and use of marine resource in pharmaceutical and cosmetics industry.

Currently Danube ports are situated on extreme positions between strategy and crisis. The effects of the economic crisis have significantly diminished freight traffic from the Maritime Danube ports, but they still play an important role in European development strategies of the Danube region. One of the EU strategy objectives for the Danube region is the interconnection and prosperity increase, and in this respect, in order to improve mobility and inter-modality, a special role will be played by inland waterway network, in addition to the road and rail transport. Thus, highly important is the development by 2020 of some efficient multimodal terminals in the Danube river ports in order to ensure the connection between inland waterway network and rail and road transport.

For the integrated vision of port activities, the adoption and implementation of viable and integrated policies and strategies is required, including in several other areas, such as environment, transport, surveillance and fishing and represent an excellent opportunity to simplify these policies both locally and regionally.

5. Expected Results

- To adopt and implement some port management strategies that would diminish the impact of the port activities negative effects upon environment and society;
- To develop and apply transport policies that will meet more efficiently the current and future requirements of the European and world industry;
- To determine the strategic options in transport infrastructure in order to develop secure, environmental, efficient networks that meet the standards of the international infrastructure and support the sustainable development of territories.

- The transition from the traditional to modern guidelines involves significant changes in the structure of the mechanisms that generate the market's current and future dimensions, which in turn impose the reshaping of the management systems and rethinking strategic activities in order to show dynamism, creativity, flexibility and functionality inherent in the market economy system.

To successfully adopt and implement certain viable measures, policies and strategies that contribute to the port activity development, the following aspects must be taken into account:

- Implementing management for the future;
- existence of a strategic action scheme;
- organizational culture;
- strategic flexibility.

Any economic system must be prepared to react rapidly to changing environments, trying to anticipate change, even if it means to reformulate strategies or to change the organizational culture.

- Although it is extremely efficient and dynamic economically speaking, the port industry has been facing increasingly higher additional social and environmental costs. Therefore the descriptive model we suggest is becoming increasingly significant as it aims at incorporating the

structural components that enables a port to function properly and simultaneously at achieving the port efficiency objectives: advantageous mobility concerning costs for freight and passengers, increase of port accessibility for all operators and users that activate in the port area and minimization of both additional costs that are generated by the conduct of port activities and of negative effects upon the environment.

Port management components can be classified as follows:

- Management of financial resources;
- Land management;
- infrastructure;
- environmental management;
- HR management and of other social aspects.

The above-mentioned components of the suggested model are key elements of a managerial program which in future may define the consolidation of the competitive capacity, setting up and development of integrated transport networks as well as establishing security conditions for the entire port system.

- The strategic measures and direction for increase and development of port industry aim at:
  - identifying and providing solutions to economic, social and environmental challenges that affect all sectors of maritime economy;
  - increasing synergies among sector policies;
  - analysing interactions between maritime activities and their potential effect upon biodiversity and marine environment;
  - identifying activities with high potential for long-term development that can be supported by removing administrative barriers that hinder their development, stimulating investments in research and innovation as well as promoting the acquisition of new competences through education and training.

- The Danube Strategy and the Black Sea Strategy associate member states of the EU, candidate states and states neighbouring EU borders that pursue several objectives of transnational importance: connectivity, water and environmental management, risk management, social and economic development, improvement of government

systems. These two above-mentioned strategies can become an important factor to boost the development of infrastructure, of land-use planning, to boost the development of the entire economy of riparian countries, most of them being emerging economies.

Conclusions

Port activities, in order to benefit of the economic growth, should create proper conditions for innovation and competitiveness and focus on aspects that display a competitive advantage. In this respect, a series of engines of the economic growth must be promoted whereas the existing blockages must be eliminated. Mention must be made here of simplification, administrative harmonization, competence requirements, research, development and innovation, maritime clusters, intelligent infrastructure and at the same time resilient to climatic changes and a qualified and mobile work force. The existence of adequate conditions for their development will also help other sectors, which are important to the region, for instance shipbuilding, recreational boating industry and logistics, consolidate competitive advantages and launch new business opportunities.

In practice, in a dynamic environment based on competition, if an organization is not heading towards a well-defined goal, it will fail sooner or later. And it is not allowed to stagnate. The difference between success and failure lies in the managers' ability to act as strategic leaders and thus to develop a prosperous organization. Based on a dynamic national and international marketing, port activities will lead to ports good reputation and will absorb any potential excess passengers or traffic, resulting in port activity increase, particularly increasing the freight transport in order to exploit the numerous advantages of a thriving port to the benefit of the entire society.

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