

## VOCATIONAL AND TECHNICAL EDUCATION BY MEANS OF PRACTICE FIRM

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### ABSTRACT

*This paper presents the employment of practice firm in the vocational and technical education at the “Transilvania” Economic College of Tîrgu Mureș. The practical implications, the European and national framework for practice firms are analysed. The development of a practice firm called Ultimate Driving Cars is presented, together with the company overview. The object of activity is trade of motor vehicles.*

**Keywords:** vocational and technical education, practice firm, trade of motor vehicles

### 1. Introduction

The development of entrepreneurship has a primary importance in the economic growth of a country. This is evidenced by the number of policies covering finance, infrastructure and advisory bodies that have been incorporated to support and inject training, development and launch of start-up business programs. The Governments are leading their countries entrepreneurship programs, seeking new ways to bridge current educational training programs with the needs of businesses [4].

In the practice firm the instructional program bridges the theoretical training delivered with the needs of businesses by delivering practical hands on training to a large number of people on a continuous basis. It enables participants to be trained in all aspects of business operations. Also it undertakes the processes of setting up, organising and managing a business. It prepares the participants for the world of work as an employee or as an owner of a new start-up. The training program comprises the whole business processes, from the initial implementation of the business plan to the analysis of budgets efficiency. It comprises the decision processes of the day to day operational business and economic issues. The practice firm operates like a real business and enables participants to see and feel how a real business operates enabling them to follow the organizational processes, applied procedures and current system function.

### 2. Practical Implications of Practice Firm

The practice firm is a modern teaching method that aims to develop students' entrepreneurial competencies through the internal process simulation conducted in a real company and its relations with other firms and institutions. The practice firm is a framework for training in: entrepreneurship, administration, human-resources management, accountancy, purchasing, marketing, sale, computer databases etc.

The competencies that can be developed in a practice firm are:

- Professional – practical firm takes bearings from a real company that provide them data and information,
- Managerial - it offers the opportunity to work in a team, to think interdisciplinary, develops communication abilities, the ability to take decisions, the organising of the work place, work autonomy,
- Technical – practical firm is equipped with computers, telecommunications and office equipment,
- Social – practical firm is managed on market principles,
- Linguistic – practical firm belongs to an international network where the communication in foreign languages is a demand.

All the obtained competences can determine the reducing of the period of students' accommodation at work.

The students discover themselves, become more confident and learn to learn, to search, to disentangle themselves. They learn the way to find all the information they need, they enlarge the self-esteem.

The benefits of the practice firm for real companies consists in: getting a trained workforce, reduce de accommodation period of the new employed people, decrease of recruitment costs, discovering staff personal abilities with reduced cost to accommodate staff in different positions, efficient system for evaluation of staff, development of staff public relations, practical way support of the local community, etc.

### **3. European and National Framework for Practice Firms**

The worldwide practice firms' network is European - Pen International (European Practice Enterprise Network). It covers over 7500 practice firms in 42 countries. According to European: a practice firm is a virtual company and a centre of vocational learning that runs like a "real" business silhouetting a "real" firm's business procedures, products and services. Each practice firm trades with other practice firms.

In Romania has been established The Romanian Coordination Centre of Training Firms (acronym ROCT) which functions as department in the National Centre for development of the Vocational and Technical Education (Centrul National de Dezvoltare a Invatamantului Profesional si Tehnic – CNDIPT) [5], according to the Ministry Order nr. 5109/2008. According to the procedures of the European the practice firm is coordinated at national level by ROCT which ensures all activities that simulate the external environment of a real enterprise.

ROCT has the following attributes: register practice firms from Romanian educational system, according to the procedures for registration of a real company; coordinates the national network of practice firms in Romania by:

- simulating the activities of the Chamber of Commerce and Industry of Romania and National Trade Register Office;
- simulating virtual bank activities for domestic and international settlement activities;

- simulating activities related to health and social insurance payments, taxes and fees, according to law;
- organizing training activities for training teachers on practice firms;
- organizing and participating in international events and projects related to practice firms;
- developing partnerships with operators;
- developing educational materials for practice firms;
- disseminating information on partnership opportunities in the international market of practice firms.

A statistics of European shows that the number of practice firm per country are: France 120, Germany 579, Great Britain 20, Italy 152, Spain 309, ..., and Romania 970. This shows that there exists a quite high interest in Romania for training in practice firm, but also for practice firms' internationalization.

The entire internationalization process of a firm is predicated on the assumption that a strategy is first formulated and then pursued. Thus, the will to enlarge in an international business activity already exists and this precedes a strategy-finding process [2].

The sweeping transformations taking place in the contemporary international business environment, and their impact on international entrepreneurship is presented in paper [3] that identifies two overarching trends: (1) the demise of the nation-state as the relevant unit around which international business activity is organised and conducted; and (2) the demise of the stand-alone firm, with a hierarchic distribution of power and control, as the principal unit of business competition.

The entrepreneur's prior Internet experience is a critical factor influencing use of the market space to support the firm's international operations. Similarly, organisational use of the market space impacts upon certain aspects of the firm's internationalisation behaviour. Despite the significance of these findings, the market space is neither a replacement for traditional marketplace-based activities, nor is it a panacea that ensures effective small firm internationalisation. Complementary exploitation of both the market space and the traditional marketplace is likely to provide the optimal internationalisation route for small firms [1].

### **4. Practice Firm at "Transilvania" Economic College**

Starting with the school year 2003-2004 the Vocational and Arts School was set up within Economic College "Transilvania", school which

trains the students to become qualified workers in tourism, catering and commerce. The students' effort to achieve a good professional training is sustained by the special effort of the teaching staff who contributes to the development of the students' personality. For this purpose has been developed the practice firm entitled TF UDC Ltd (Teaching Firm ULTIMATE DRIVING CARS). The objectives of the learning process in the UDC are to understand the processes of economical decisions, to become accustomed with different phenomena taking place within a commerce real firm, to understand the nature of relationships between phenomena within commerce firm. The activity of the UDC is developed according to the existing legislation for the Romanian real firms. In the UDC the students behave like managers and responsible employees and they educate and form their own enterprising capabilities. The company has commercial transactions over the Internet that is performed for didactic use.

In UDC the existing economical transactions in a real firm are exercised. It is structured (Fig.1) according to the situation in practice, in departments: human resources, secretariat, marketing, sale, financial- accounting, etc.

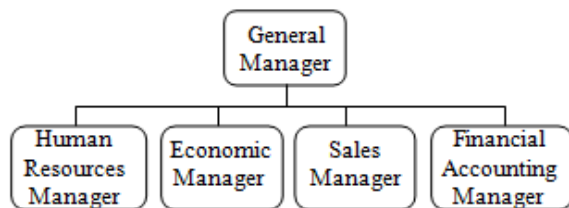


Fig. 1. TF UDC Ltd organisation structure

The stages for the establishment of UDC are: the idea of the firm, the business plan, the setting up of the activity object of the firm according to the market analysis; the setting up of the juridical form according to national legislation, the working out of the set up act, the organisation structure, job record, decisional competences, recruiting employees, work contracts. Afterwards the activity object has been upgraded and have been developed international transactions with partner firms using communications in English. In figure 2 is presented the practice firm panel.



Fig. 2. Practice firm panel

UDC Ltd is characterized by two defining aspects: (1) the informational flux, the circuit of the documents are real and the money and (2) goods transfer are virtual which means that the money and the products are simulated.

A major component for the students' experience in the learning process is the simulation of failure and success situations. The wrong decisions do not have negative economical consequences within practice firm because of the virtual character of practiced situations. Students are allowed to do mistakes, in order to learn better from these situations. It is a teaching method to allow them to do mistakes.

The place where the activity is performed consists in a room endowed with the corresponding furniture, and the techniques necessary for learning: telephone, fax, computers, scanner, printers, etc. By the rotation of the students on the work places the learners will acquire all the competences within the firm and will discover by themselves the way to react in real life.

When it is observed that a learner has acquired the specific competences in a department is moved to a different department.

The teacher in the practice firm suggests how to find the information. He is not authoritative and he does not offer the naked information. The teacher is a moderator, educator, colleague, coordinator of the business, evaluator of achievements.

## 5.UDC Company overview

TF UDC Ltd is guided by the idea that joy does not wait for day dreaming. Innovation is the engine that allows students to function and the fuel that feeds their passion is the Safety. Thus, UDC motto is: "Enjoying Speed Safely". JOY and SAFETY cannot be copied and they reach the top especially when experience something completely new for the first time.

SAFETY: starting from these word students has created a totally independent company which has a

single purpose - the driver. They do not sell just cars, but they also deliver emotion and passion to their customers (Fig. 3). They represent the guarantee of enthusiasm, fascination and maximum joy. UDC vehicles are dominated by a safety no words can describe. Vehicles, which respond to stimulus, have personality, captivate and impress. Cars that make customer feel pure driving pleasure every time get behind the wheel.



**Fig. 3.** Students working at practice firm – selling motor vehicles

While others appreciate the passion and the safety, UDC inspires them. In what concerns the company, students manage it, analyze it and continue to recreate it - more efficient and dynamic. UDC offer customers the keys to discover a growing safety that evolves continuously. While concurrent companies attempt to promise customers everything, UDC promises customers one thing: the most important of all human feelings – JOY.

The choice of the company name has represented a dilemma. In order to find a name that represents students as a whole, but at the same time to be original and in accordance with the objectives of the company, they have chose UDC - ULTIMATE DRIVING CARS. Apparently three simple words, essentially they are a gathering of originality, novelty and safety.

Another important aspect is the choice of the motto. In order to decide on it students consulted each other, have heard opinions and in the end has been kept the most representative for UDC company: “Enjoying speed safely”.



**Fig. 4.** TF UDC Ltd website

Once the clutch is pressed, the engine starts smoothly and JOY begins its successful journey. But this would not have been possible without a logo, a perfect balance between elegance and innovative technology. For a suitable choice students have done many changes and have optioned for what represents the company to the smallest detail. In this way, UDC Company boldly exceeded the patterns and created a logo that combines variability, elegance and luxury. All this is in order to redefine the equality equation between the JOY of driving and the SAFETY of the driver.

For posting the offer, for making the publicity TF UDC Ltd has an Internet site [6] at the address <http://udc.visualcore.ro> (Fig. 4). The website had a real success, attracting customers.

Tending to feel the great taste of breathtaking performance has been chose a fancy object of activity, to make sure that the people's joy of driving is continuous. The object of activity is trade of motor vehicles having CAEN CODE 4519 (CAEN = National Classification of Economic Activities).

The location of TF UDC Ltd is in Tirgu Mures 1, Călimanului street, postal code 540074, Mures County, Romania. The social capital is 900 000 ron, divided into 900 shares, each share having a value of 1 000 ron, each shareholder holding a total of 300 shares. The firm has three partners who work together for the welfare of the company.

UDC is safety + enjoyment, efficiency + power + attention to customer's desires.

## 6. Conclusions

In the TF UDC Ltd are learnt key qualifications: joy to take decisions and establish contacts, independent action, adapting ability, responsibility feeling, better understanding of situations, team spirit, free thinking, organising abilities, responsibility to assume tasks, etc.

Also there is learnt specialization knowledge: the activities of the enterprise, the decision steps, together with the working steps, linguistic competences improved through the business relationships with the partners in the country and abroad, orientation towards customers.

TF UDC Ltd is an attractive challenge both, for the students and the teachers.

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