

## Strategic planning in the business sector, to promote the sustainability of small and medium enterprises

### La planeación estratégica en el sector empresarial, para fomentar la sustentabilidad de las pequeñas y medianas empresas

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#### Abstract

With this project, improvement e innovation, leadership and market strategies are proposed to promote the sustainability of SMEs in the San Martín Texmelucan region. The project was initially developed by establishing contact with the business sector, preparing a questionnaire to collect and analyze information, later the factors that hinder the sustainability of SMEs were analyzed. Afterwards, a pilot test was carried out applying the strategies to the 150 selected SMEs. The study was developed through statistical analysis to promote sustainability, which have an effect on the participation of directors of micro and small companies in corporate responsibility. In this research, the participants that were studied were the micro and small companies of the commercial sector of the municipality of San Martín Texmelucan, according to the SIEM in the last quarter of 2021 there are 1127 registered companies that were taken as a basis, of which 45% They are commercial, 30% are services and the rest are industrial. The variable that represents the greatest relationship with the sustainability of SMEs is that of leadership strategies by showing a positive relationship of 4.56, while the variable market strategies is the second most representative by yielding 3.65 and the one that least impacts on the sustainability of SMEs is that of improvement and innovation with a ratio of 0.98.

**SMEs, Strategic Planning, Sustainability**

#### Resumen

Con este proyecto se proponen estrategias de mejora e innovación, de liderazgo y de mercado para fomentar la sustentabilidad de las PyMes de la región de San Martín Texmelucan. El proyecto se desarrolló inicialmente estableciendo contacto con el sector empresarial, elaborando un cuestionario para recopilación y análisis de información, posteriormente se analizaron los factores que obstaculizan la sustentabilidad de las PyMes. Después se realizó una prueba piloto aplicando las estrategias a las 150 PyMes seleccionadas. El estudio se desarrolló mediante un análisis estadístico para fomentar la sustentabilidad, las cuales tienen un efecto en la participación de los directores de la micro y pequeña empresa en la responsabilidad empresarial. En esta investigación los participantes que se estudiaron fueron los micro y pequeñas empresas del sector comercial del municipio de San Martín Texmelucan, de acuerdo al SIEM en el último trimestre de 2021 existen 1127 empresas registradas que se tomaron como base, de las cuales el 45% son comerciales, 30% de servicios y el resto son industriales. La variable que representa mayor relación con la sustentabilidad de las PyMes es la de estrategias de liderazgo al mostrar una relación positiva de 4.56, mientras que la variable estrategias de mercado es la segunda más representativa al arrojar 3.65 y la que menos impacta en la sustentabilidad de las PyMes es la de mejora e innovación con una relación de 0.98.

**PyMe, Planeación Estratégica, Sustentabilidad**

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## Introduction

This research is based on the commerce sector in the central-south region of Mexico as this sector is the largest contributor to the tertiary activity of the national GDP with 15.5%, followed by 11% for real estate and rental services, 6.2% for the transport sector and 4.1% for educational services. In the fourth quarter of 2021, INEGI indicates that tertiary activities correspond to 64% of the percentage structure of GDP while secondary activities represent 32% and primary activities only 4%. It is therefore necessary to attend to the companies that belong to this economic sector, since in Mexico there are 5.1 million economic units in the commerce sector that employ more than 27 million people and every year another 400,000 are incorporated; of these, 52% are micro companies (up to 10 employees), 35% are small companies (with up to 30 employees) and 10% are medium-sized companies (up to 100 employees).

Sustainability is the set of institutions, policies and factors that determine the level of productivity of a country (World Economic Forum, 2016), Ibarra, González and Demuner, (2017) mention that there is sustainability when there is an increase in the productivity of companies, as this will allow the level of income of a country to increase, Dussel (2001) also states that sustainability should also be considered as the process of dynamic integration of countries and products to international markets, depending on both supply and demand conditions.

In recent decades sustainability has taken on great importance in the country's economy where its development has been supported by the implementation of different strategies (Meraz, 2014); according to Porter (1991), companies manage to obtain competitive advantages when they have an environment of dynamic competition, which is characterised by an integration of advantages, as well as a constant stimulus to improve their products and processes.

In an entrepreneurial environment, the development of a business strategy should consider aspects of the company within the framework of the environment, with a clear growth orientation.

To find out whether strategic planning is a factor influencing company sustainability, in the study of a group of Austrian companies Kraus, Harms and Schwarz (2016) identified a positive relationship between strategic planning and sustainability and emphasised that the formality of strategic planning increases the likelihood of execution, which in turn influences performance. Meanwhile, Rudd, Greenley, Beatson and Ian (2014) in their study conducted in Australia, conclude that strategic planning is a key tool in sustainability and that it has a positive and significant impact on performance.

Taking into consideration the above, this research work has considered strengthening the sustainability of the business sector in MSMEs, by designing strategies for improvement and innovation, leadership and market in the business sector in the region of San Martin Texmelucan.

## Methodology

The study had a sample of 1127 micro and small enterprises in the commercial sector of the municipality of San Martin Texmelucan. The information was collected between October and November 2021; the interviewer contacted the participant and asked him/her to answer an online form (28%), by telephone (20%) or in person (52%). This analysis shows the results of the study conducted in San Martin Texmelucan, Puebla, in which 150 surveys were administered, due to the current pandemic this was the maximum number of data possible. The study was developed using statistical analysis to promote competitiveness, which has an effect on the participation of micro and small business managers in corporate responsibility. In this research the participants that were studied were the, according to SIEM in the last quarter of 2021 there are 1127 registered companies that were taken as a base, of which 45% are commercial, 30% services and the rest are industrial.

## Results

To address the general objective of designing strategies capable of promoting sustainability in the business sector in the region of San Martin Texmelucan.

First, the improvement and innovation strategies to make SMEs in the San Martin region more competitive are analysed, as shown in table 1.

Strategy	Description
Clear sense of direction	Sense of mission clarifies where common efforts to innovate and improve should be directed.
Open communication	Open communication between management and employees lays the foundation for a climate of trust.
Reducing bureaucracy	Bureaucracy slows down change and is a serious impediment to innovation.
Sense of ownership	Every employee should know how his or her work affects the effectiveness of the companies.
Compatible recognition and rewards	It is not competition; it is motivation to innovate.
Tolerance for risk and failure	Failures are simply necessary steps in the learning process.
Elimination of projects and processes that don't work	Innovation requires optimism.

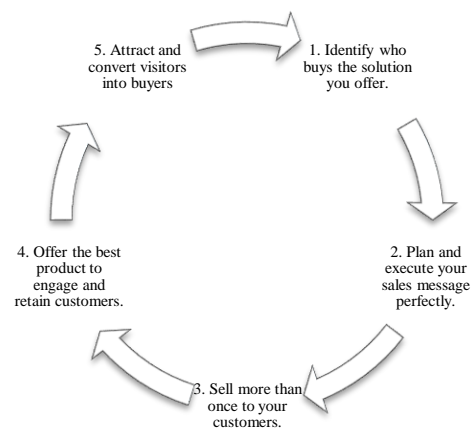
**Table 1** Improvement and innovation strategies for SMEs  
 Source: Own elaboration with data obtained with the research, 2021

The current leadership strategies of SMEs in the region of Sint Maarten are analysed in order to verify their sustainability, the 12 most important of which are listed below.

- 1) Provide knowledge of the company's industry and the challenges to be faced.
- 2) To reinforce motivation and involvement towards the fulfilment of the same.
- 3) Motivate or foster a work environment in which people can work in harmony, but without interruptions.
- 4) Provide continuous training for employees in their professional field and in leadership tools.
- 5) Encourage confidence in each employee, decision-making skills, responsibility and teamwork.

- 6) Teach by example. Executives, managers or heads of business must have integrity, *i.e.*, a deep sense of fairness in dealing with their team and delegating in a timely manner.
- 7) Be flexible in modifying ways of working and strategies, if and when necessary.
- 8) Share the effort with the team and provide security and a sense of belonging to the team members.
- 9) Create a connection with your team members, be empathetic and listen to their needs.
- 10) Give positive feedback and be willing to receive it.
- 11) Prioritise communication, recognise the work of others and provide opportunities for growth.
- 12) Teach employees to build their own development plan and encourage them to follow it until they reach their goals.

Figure 1 below shows the design of the process of implementing market strategies to foster the sustainability of SMEs in the San Martin Texmelucan region.



**Figure 1** Market strategies  
 Source: Own elaboration with data obtained with the research, 2021

Differences between improvement and innovation strategies, leadership and market strategies. In order to compare the different strategies and determine which one has the greatest impact on the sustainability of the SMEs, in table 3 we present the descriptive statistics of the three strategies. We find that the most noticeable difference appears in the Leadership Strategy.

San Martín Texmelucan			
Variable	Items	Mean	Standard Deviation
Market strategy	7	3.98	0.701
Improvement and innovation strategy	7	3.81	0.756
Leadership strategy	6	2.97	1.164

**Table 2** Descriptive statistics 3 different strategies  
Source: Own elaboration with data obtained from the research, 2021

Assessment of the effect of strategies on the propensity of SME managers in San Martín Texmelucan to promote sustainability.

There is some discussion about the validity of running linear regressions on ordinal variable scales. While it is clearly not relevant to apply it to ordinal items, results with more than 10 levels are usually accepted as a continuous variable. For the purposes of this study, the regression shown in table 4 shows a regression of the three strategies to promote sustainability and the results were assessed both assuming continuity and keeping the variable as ordinal with 15 levels of response.

Variables	Coefficient	Standard error	t	p.value
Market strategy	3.65	0.383	4.710	0***
Improvement and innovation strategy	0.98	0.093	-3.070	0.002**
Leadership Strategy	4.56	0.080	0.701	0.484

Significance codes:  
0 '\*\*\*' 0.001 '\*\*' 0.01 '\*' 0.05 '.' 0.1 ' ' 1

**Table 3** Linear regression for San Martín Texmelucan  
Source: Own elaboration with data obtained with the research, 2021

## Conclusions

As can be seen in the results of the present investigation, the sustainability of the companies in the municipality of San Martín Texmelucan, according to what was revealed in the surveys applied, indicates that the owners, proprietors and managers of the companies must resort to applying leadership strategies that allow them to make the right decisions to define the direction of the company.

Therefore, in order to compare the market, improvement and innovation and leadership strategies of the SMEs of San Martín Texmelucan analysed, based on the basic descriptive statistics of the variables, it can be seen that the most notable difference appears in the leadership strategy. This means that Texmelucan entrepreneurs have not yet applied these competencies to promote sustainability in their operations because it is a new topic and the future benefits that this represents, such as tax incentives, reduced staff turnover, recognition and certifications, to mention a few, have not yet been foreseen.

With regard to the impact of these strategies for the companies in the municipality of San Martín Texmelucan, it is observed that the market strategy and the improvement and innovation strategy have a significant effect on the sustainability of the companies, as shown by the responses of the directors of the SMEs in San Martín Texmelucan.

The variable with the strongest relationship with the sustainability of SMEs is leadership strategies, with a positive relationship of 4.56, while market strategies is the second most representative variable with 3.65 and the variable with the least impact on the sustainability of SMEs is improvement and innovation with a relationship of 0.98.

This means that an area of opportunity for the development of these entrepreneurs would be training in sustainable issues, specifically with regard to the benefits of sustainability, which would allow Texmeluquense entrepreneurs to change their perspective in order to enter into the sustainable practices that are required by today's world and that have repercussions not only on the competitiveness of the company itself but also on the development of the region and the country's economy, the aim of the project is to help them perceive an economic and financial benefit that will allow their businesses and companies to have a better position in the market and to present a satisfactory economic recovery in favour of competitiveness..

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