# Business Diagnostic to Identify the MSEs of Xicotepec de Juárez, Puebla, with the Potential to Import and Export

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#### Abstract

In Mexico, all the micro and small companies represent the 70% of the national commercial activity, of this percentage 80% are businesses that are not formally established that involve the 40% of the national population in commercial activities. Starting from these figures we can notice the importance that these businesses have in our country for the family economy and therefore the national one. For this reason there must be implemented the appropriate strategies to endure in a changing market, increasing in competitiveness and improving performance in general. For all the reasons previously mentioned, it is necessary to make a business diagnosis to know the situation and vision of the micro or small entrepreneur in Xicotepec de Juárez, Puebla, where the expectations of growth obtained are not aimed in a local or regional market but global, in which you can sell your services or products in addition to purchasing supplies in the same way, and be a real participant in foreign trading to take advantage of the benefits that this entails or the opportunities provided when belonging to it.

#### **Companies, Foreign Trade, Opportunities, Global Market**

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# 1. Introduction 1.1 Justification

Because the micro and small companies in Mexico are of vital importance for the country, it is necessary to know the situation in which they are located in Xicotepec, but not only in the local or regional market, but also projecting them globally, to to be able to determine the opportunities for improvement and growth that they have in the introduction to world trade, looking for them to be competitive.

The assets, resources, capacities and competences are driving elements of the competitive advantage that the MSEs can present (Barney, 2003), and in this region we find products that have high commercial value due to the characteristics that they present and that can be used by the clients and final consumers, which makes the product profitable.

## 1.2 Problem

The MSEs of Xicotepec generally focus their commercial activities on a local or regional market, which can cause as soon as larger companies with more resources access the same market, the local ones, break or barely survive for a short period of time of time unless they can implement strategies that make them competitive to reposition themselves. One of the options that MSEs have is to enter an international market where they can position themselves by marketing a competitive product or service with the own and distinctive characteristics of the Xicotepec region.

#### 1.3 Hypotesis

Implementing appropriate strategies in the MSEs to introduce them in international trade, will open new opportunities for individual and regional growth in companies and in the human resources that intervene in this process directly and indirectly.

# 1.4 Objectives1.4.1 General objective

Identify the factors that favor and hinder the MSEs of Xicotepec de Juárez in the international trade of goods and services, through the application of interviews and questionnaires, to define areas of opportunity and suggest improvement actions to obtain corporate empowerment.

# 1.4.2 Specific objectives

- Obtain data from companies that already export or import goods and services
- Recognize the interest of the owners of MSEs in entering the international market
- Knowing the vision of entrepreneurs of international trade and local commerce regional
- Identify the real growth opportunities of local companies with the potential to export and import.

#### 2. Theoretical framework

Importation: is the customs regime by which goods imported from abroad or from a Special Economic Development Zone can circulate freely in the customs territory, in order to remain there permanently, after the payment of duties and taxes to the importation, surcharges and sanctions, when there is room to them, and of the fulfillment of the customs formalities and obligations. (COPCI, 2010). Exports in economics refer to any good or service sold or sent for commercial purposes to a foreign country. In other words, the export is the traffic of goods and services of a country in order to be used or consumed in another country. The objective of imports and exports is to obtain raw materials, machinery, technology or nonexistent services in the country of the entrepreneur who buys, and in case of existing, is to seek differentiation in quality, price and service.

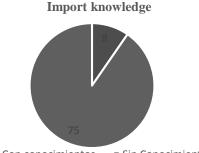
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The business owners of the micro and small companies must consider different factors when having the initiative to import or export to one or several countries because the contexts differ from those of the national market, among which the legal ones stand out, customs, technical, commercial, social and cultural customs.

#### 3. Research Methodology

The research is multimodular (Creswell, 2002), because it tries to understand and interpret reality, from the perception of the subjects that interact in it (owners of the MSEs) and the own experiences that are expressed in the scientific production around the object of study for which qualitative methods such as content analysis and empirical exploration have been combined through questionnaires and interviews. For the development of the exploratory study the Xicotepec Micro and Small Business Analysis questionnaire was applied and the survey on knowledge of the global import and export market. The sample size is 83 companies surveyed, for the calculation was taken into account 50% variability of the probability, a confidence level of 95% and a margin of error of 4%, on a universe of 296 MSEs that They are registered in the Municipality in this year 2017.

#### 4. Results



Con conocimientos
Sin Conocimientos

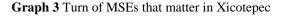
Graph 1 Companies trained and knowledgeable in importing products

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**Graph 2** Import companies with or without intermediaries that increase prices





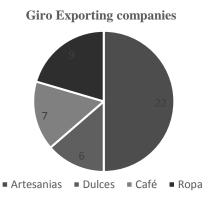


Graph 4 MSEs with knowledge in export

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**Graph 5** Companies that export their products with and without intermediaries



Graph 6 Spin of MSEs exporting in Xicotepec

#### **5.** Conclusions

There is a great lack of knowledge, fear or disinterest on the part of businessmen to enter international trade. In the MSEs of Xicotepec it is necessary to reach a quality standard that allows products and services that are offered locally, to compete internationally, so it must invest in training and improvement of production processes. It is important to take care of the cost of the production process since if countries import products one of the key elements is the competitive sale price that is offered. December 2017 Vol.1 No.1 24-27

Training and support should be sought from government agencies so that the MSEs can obtain greater facilities when exporting, scams can be avoided and the legal and customs guidelines established in the governments can be complied with. You can access new markets, more and better jobs are generated and you do not depend economically on a local market.

Entrepreneurs should be taught the benefits and harms associated with excessive import and export and with little control of the handling of international currencies. The most important thing is the vision of the businessmen who, due to their ignorance of the import and export issue, do not obtain opportunities for improvement and lose business that is the family support. By training them, they lose the fear of growing in a global market and therefore become entrepreneurially empowered.

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