

**Identify the most effective method of competitive small businesses****Identificar el método más efectivo de pequeñas empresas competitivas**

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DOI: 10.35429/JES.2023.12.7.11.19

Received March 15, 2023; Accepted June 30, 2023

**Abstract**

The main objective of the study is to identify the most effective method that makes a company competitive. Exploratory and descriptive research was carried out based on a mixed, qualitative research scheme with documented foundations of descriptive type, observation, interviews, elaboration of an instrument applying a sample of 75 surveys to managers or owners of small companies of different segments, with a confidence level of 95% and a margin of error of 5%, using a quantitative approach for the analysis of the most effective strategies axes. The results indicate that good practices show an effective relationship with competitiveness and that the implementation of the strategies will improve them.

**Competitiveness, Method, Strategies****Resumen**

El objetivo principal de estudio es identificar el método más efectivo que hacen que una empresa sea competitiva, Se realizó investigación exploratoria y descriptiva apoyada en un esquema de investigación mixta, cualitativa con fundamentos documentados de tipo, Descriptivo, observación, entrevistas, elaboración de un Instrumento aplicando una muestra de 75 encuestas a gerentes o dueños de pequeñas empresas de diferentes segmentos, con un nivel de confianza del 95% y un margen de error 5%, utilizando un enfoque cuantitativo para el análisis de los ejes de estrategias más efectivas. Los resultados indican que las buenas prácticas muestran una relación efectiva con la competitividad y que la implementación de las estrategias permitirá mejorarlas.

**Competitividad, Método, Estrategias**

**Citation:** DE LA GARZA-CIENFUEGOS Sandra, ZAMARRÓN-OTZUCA, Nathalia, AGUILAR-SANCHEZ, Ana María AND GONZALEZ DE LA GARZA, José Gerardo. Identify the most effective method of competitive small businesses. Journal-Economic Systems. 2023. 7-12: 11-19

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## Introduction

According to Leyva, Cavazos, Espejel (2018) the human resource is the most important value to take care of, it is the weak point of most small businesses that have disappeared or are in the survival status. A competitive advantage is to have a management with creative skills, seeking excellence through strategic planning, determining actions and goals that contribute to business competitiveness.

Souza & Janissek, 2018 made it clear that the factors that influence the culture of intelligence in organisations is the human factor and information systems focused on teamwork with an appropriate communication culture with intelligent processes that strengthen the innovation of ideas towards excellence. The results of Fernández, Martos & Miño (2016) made it clear that small businesses are important for the growth of the Latin American economy, affecting their competitiveness due to the limitations of intellectual capital is defined as intangible assets that give value to the customer, generally being a source of competitive advantage, taking into account three dimensions human capital values, attitudes, aptitudes and skills generating value to the company, structural capital that internal knowledge that the company giving value to the company even if it is not present because of its rest schedule and specific relational capital with the environment, suppliers, customers and without losing sight of the competitors.

The results of (Sepúlveda Aguirre, Arboleda Jaramillo, Pérez Sánchez, & Quirama, 2018) made clear the critical factors of surveillance for the competitiveness of a technology-based company. In recent years, knowledge has been associated and incorporated, in the right way, to competitiveness and business economics, which has required special attention to be paid to changes in the environment, and to the treatment and analysis that must be given to information, for strategic decision-making within organisations, the most important external factors for the sustainability of the company become elements to intervene in the short and medium term.

It was concluded that the company must carry out processes of vigilance and renewal of its critical factors, with continuous observance, in order to enable it to.

It is possible to highlight the process of analysis of the critical factors as viable, useful and competent tools, by means of a vigilance of the environment. Similarly, the studies of. Luciani Zambrano & González (2019) show that a key factor to achieve competitiveness in small businesses is technological innovation, actions aimed at economic performance, increased sales and production, small businesses have the need to train and educate staff in all areas and levels; this allows the development of knowledge, skills and abilities, so that the organisation is more efficient and competitive. The instruments that the company can use for the education and training of its personnel can be: lectures and courses, didactic material, specialised technical literature, instructional manuals, training in other areas, job rotation, job enlargement, among others.

## General Objective

To define factors that influence the competitiveness of micro and small enterprises.

## Specific Objectives

- Deduce what firms do when they are competitive.
- Analyse factors that affect unprofitable companies.
- Define corrective measures to improve organisational competitiveness.

## Development

(Chamorro Mera & Tato Jiménez, 2005), Knowledge is the heart of the new economy, which is characterized by globalization and the use of new technologies, and it is not knowledge itself that is important, but man's creativity. Ethics and moral values are very important; without these they run the risk of becoming vicious and dehumanized instead of ethical and human. However, they are an essential strategic option so that organizations can compete in a global and faster environment, these being the elements that add the most value to a company. (Sepúlveda Aguirre, Arboleda Jaramillo, Pérez Sánchez, & Quirama, 2018),

The competitiveness of a technology-based company. In recent years it has been associated and incorporated, in a successful manner, critical surveillance factors as viable, useful tools, in the search for the improvement of the organization through environmental surveillance, the perceived information becomes knowledge for decision making. only if there is an incorporation of why the surveillance is done, if it is timely and makes sense. (Otero Flores & Taddei Bringas, 2018),

A determining element for the development of an organization are external and internal factors, which in turn affect the activities and dynamics of each organization. The approach is convenient to demonstrate and differentiate the influence and intervention of the family, the measurement of performance through indicators and models, the identification of competitiveness factors show its usefulness. (Karimi, Irandoost, & Khosravi, 2013) Investigating the Factors Affecting the Competitiveness of Small and Medium Companies in Sanandaj,

It was concluded that there are indeed several factors that are related to making small businesses competitive, some such as negotiation power, administrative control, suppliers, our competitors, marketing and sales, among others. (Salazar & Romero, 2007) make it clear that technology is revealed as a dynamic process of irreversible march, changing critical factors for the success of any company regardless of whether it is micro or framework, creating a competitive advantage. (Ibarra, Gonzalez & Demuner, 2017). Competitiveness is increasingly important and transcendent towards success in organizations. Its importance is to constantly analyze social factors, market segments, growth and constant innovation. (Leal & Miranday, 2007); One of the main advantages for organizations is to use computer software for the processing and dissemination of information.

However, not all companies have automated information systems, mainly small and medium-sized ones. In the current era and with the arrival of the pandemic, technology was a great lifeline for micro and small businesses, resulting in a competitive advantage that is here to stay. (Villarreal Segoviano 2012), a significant percentage presents organizational deficiencies and little interest in investing in technology.

However, with times of pandemic the situation that in some cases derives from family administration, since they do not offer the inputs that the world market demands. This causes the National manufacturers, especially in the fashion footwear industry, resort to imported supplies or through online catalogs. The quality of Mexican leather is recognized, but it is considered that its prices are beginning to be uncompetitive; hence some medium-sized companies resort to supplying imported products and large companies have vertical chains. Regardless of their size, successful companies are those that follow the principle of competing and cooperating at the same time.

Alliances, networks, that help them embark on new paths and reduce the risks of venturing alone or trusting solely in their individual capabilities. These companies demonstrate that it is possible to shed jealousy over their processes, technologies and strategies to put them at the service of potential allies, who in turn will do the same.

Vargas & Castillo 2008 make it clear that small enterprises that currently stand out for healthy growth seem to be those that develop the ability to manage knowledge, drive innovation, attract more creative and committed employees, associative movements, aggregation and

The individual efficiency in the small business stratum is much lower than the collective level of efficiency and productivity, which implies the ability to complement efforts for the benefit of all and gain bargaining power to improve their costs, set their prices and embark on new directions prices, and undertake new directions and technology absorption initiatives.

(Biancolino, Maccari & Pereira, 2013), 17% of the service companies surveyed do not have a culture and find it difficult to innovate, one of the indispensable parameter to involve personnel in new ideas, which can generate a competitive advantage for the company. (Pérez Cruz, 2019) research centres have a positive impact on innovation in the country.

However, even though these effects are significant, technology transfer efforts are still in their infancy in Mexico, so this avenue of sustained growth can have an impact on the country's economy. (Dávila, León & Preciado, 2019) An input programme for the quality of market-driven innovation with proposals for diversified capabilities with the stimulus programme for the application of instruments aimed at the company's objectives.

The concept of emerging markets became more relevant from the eighties onwards, the market is defined as the area of interaction between buying and selling. Different buyers and sellers therefore carry out a commercial exchange, without it having to be with currency, barter or payment for services. (Aliedan, 2021).

## Methodology

The methodology is based on descriptive and explanatory enquiry in a mixed research scheme, qualitative with documented foundations of descriptive type, quantitative analysis of the critical factors of vigilance for competitiveness.

The aim of this article is to carry out an analysis of the critical factors of vigilance for the generation of strategic knowledge and business competitiveness, based on a case study, applied in the sphere of a technology-based company. In the analysis carried out, and making use of technology watch, it was possible to establish the most important external factors for the sustainability of the company, and which become elements to intervene in the short and medium term.

It was concluded that the company must carry out processes of surveillance and renewal of its critical factors, with continuous observance, so that it can stay ahead of its competitors and be aware of the trends in the company's target market. From the exercise carried out, it is possible to highlight the technological watch process and the analysis of the critical watch factors as viable, useful and competent tools in the search for the improvement of the organisation.

This is because technology watch made it possible to learn about the dynamics, in terms of publications and the state of the technologies of interest to the company. In particular, the processes of technological processes are optimised if they are fully understood.

The technological monitoring exercise is fully understood, i.e., by monitoring the environment, the information perceived is converted into knowledge for the generation of opportunities and the resolution of technological problems opportunities and the resolution of technological problems, which allow for decision making.

This result will be possible if there is an incorporation of the purpose of the monitoring, if it is timely, mainly to the performance of human capital.

Interviews, a field study with real variables, objective developments and relevant statistical management, an instrument was applied to 75 employees of micro and small enterprises that excelled in the pandemic with the application of technology, a confidence level of 95% and a 5% margin of error, the reliability of the instrument is 0.74 according to Cronbach's alpha formula.

## Hypothesis

H<sub>1</sub>: Capital or human resources is the most important competitive advantage in a company..

H<sub>0</sub>: Technology turns out to be the main factor for competitiveness in companies.

H<sub>a</sub>: Marketing is an important factor for business competitiveness.

## Sample's size calculation

$$n = \frac{N Z^2 1(1-p)}{(N-1)e^2 + z^2 1(1-p)} = 75$$

where:

z	Confidence interval 95%
p	True proportion 20%
e	Acceptable margin of error 5%
N	Population size 108
n	= 75

Results

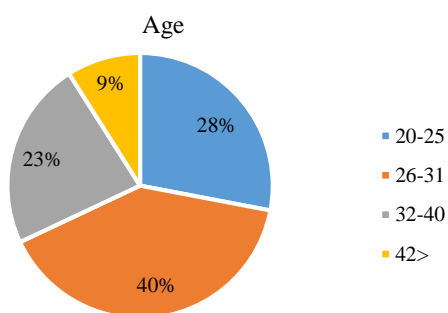
Figure 1. Variables 4,5 and 6 are significant for the study phenomenon and are above the upper part of normality, however variable 6 is above the upper limit, the majority of micro and small businesses do not update the representative technology (Irrelevant) for the Phenomenon of study. The rest of the variables (1,2,3,) are within normality at  $\pm 1\delta$



Graphic 1

Age	Percentage	Accumulated
20-25	28%	28%
26-31	40%	68%
32-40	23%	91%
42>	9%	100%

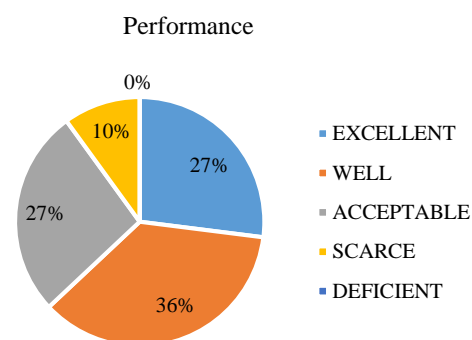
Table 1



Graphic 2 63% of those surveyed are between the ages of 26-40

Performance	Percentage	Accumulated
Excellent	27%	27%
Well	36%	63%
Acceptable	27%	90%
Scarce	10%	100%
Deficient	0%	

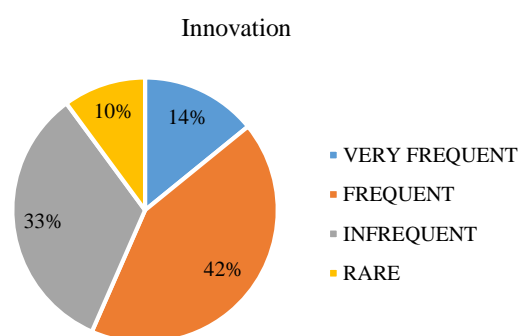
Table 2



Graphic 2 63% of respondents believe that performance evaluation is an important factor for the company to be competitive

Innovation	Percentage	Accumulated
Very frequent	14%	14%
Frequent	42%	56%
Infrequent	33%	90%
Rare	10%	100%

Table 3



Graphic 3 56% of those surveyed agree with innovation as one of the important factors in the competitiveness of companies

Discussion

Thanks to the mixed research carried out, the main hypothesis is accepted, capital or human resources is the most important competitive advantage in a company, it is accepted as the main factor that makes a company competitive, since 64% of Respondents stated that recruitment is between good and acceptable, 41% think that training is good and 36% believe that performance evaluation is good, these factors are essential for the human resources department in charge of carrying out these procedures and are closely related to the personnel on whom the quality of service or product that we have as a company depends, which influences competitiveness.

Another important factor is technology where 42% of those surveyed think that technology innovation is frequent, in 36% the updating of systems is infrequent, technology is currently an indispensable tool for any company that wants to continue innovating. , this must be planned to know what the company's strengths are so that little by little it can be a competitive, quality company with recognition in the market.

### Conclusion

The study contributes to administrative sciences by contributing to a more effective method. For a company to be competitive in the market in which it is located, it must have excellent human talent, this is of utmost importance for the organization to achieve satisfaction and fulfillment of the purposes it set out to achieve. For the organization to achieve its objectives, it must have properly trained human talent, which is why the selection and recruitment in companies is very important, since many factors must be taken into account, such as the experience and values of the employees.

Currently, with the pandemic that is being experienced worldwide, organizations have had to modify their way of working, and they have had to implement even more technological resources in order to carry out their work and be more productive, the use of Technology in companies has been very beneficial for them, without technology it would be even more difficult for them to cope with the current situation, because many of the collaborators are communicating through video conferences over the Internet, and another factor is adaptation to any scenario. That arises, with the passage of time, different changes occur that influence companies and they must be prepared for everything and adapt to any situation, If they do not do so, it is possible that they could be closed. One of the factors that make a company competitive are human resources such as recruitment, training, training, evaluation, as well as innovation in technology and maintaining updated technology to well manage the times and functions of each position.

This helps to shape the entire organization so that the company can be competitive and have recognition in the market in a positive way. Karimi, Irandoost and Khosravi (2013),

In this study it was concluded that there are indeed several factors that are related to the company being competitive, some such as negotiation power, administrative control, suppliers, power that our competitors have, marketing and sales, among others. Likewise (Salazar & Romero, 2007) make it clear that technology is revealed as a dynamic process of irreversible progress, changing critical factors for the success of any company, regardless of whether it is micro or framework, creating a competitive advantage.

Globalization and the use of new technologies, in observation of micro and small businesses, a factor that they used in the pandemic contributed to technology such as marketing, sales and home delivery, they joined taxi drivers for delivery. Supporting the service economy and making micro and small businesses competitive.

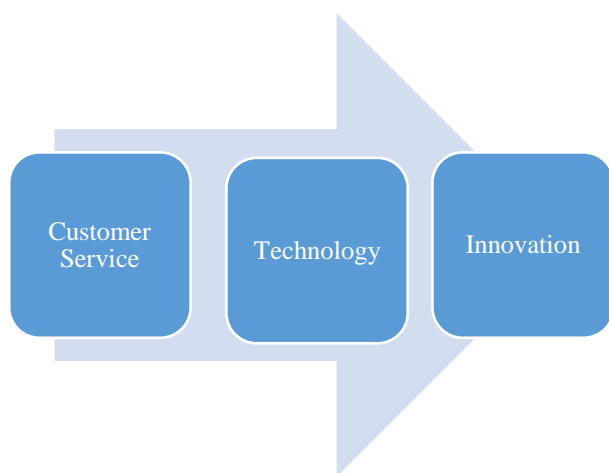
Small businesses that currently stand out for having healthy growth, They seem to be those that develop the ability to manage knowledge, promote innovation, attract more creative and committed employees. In an interview, a manager mentions one of the main strategies used for small businesses to be competitive, a) the customer is number one. in the company and for this reason the treatment of the human resource towards him leads him to feel special, remembering that the client likes him or calling him by his name or profession turns out to be satisfactory, positive and preferential. b) Quality and service of excellence, c) innovation, technology and creativity of human resource performance add value so that small businesses are competitive. Constant training, a pleasant work environment, teamwork and constant growth in them results in development and growth of the company.

Lara & Fernández, 2022 made it clear that the most effective method for small businesses in Mexico is to implement innovative business models, collaborative strategic alliances with other companies, which allow cost savings and increased profits, every time a business is launched.

The strategy must have a clear, measurable objective and the possibility of achieving it, applying a novel model with a creative approach that allows it to capture the market's attention. The market period is very short, which forces companies to immediately think about others. strategies when the current one is launched.

Seeking to conquer other markets inside or outside the country is an assertive strategy, in most cases when the small company has a large number of competitors that do not allow it to advance, so it must focus on finding a market where it is the only purchase option or among a few options and provide the best service and quality in the products offered.

Method for small businesses to be competitive in Mexico. Practical examples of success found in field work that also help to find greater development, deduce what companies do to be competitive.



1. Strategic Planning
2. Production and Operations
3. Quality
4. Bonds
5. Trained Human Resources
6. Social Responsibility
7. Marketing.

Strategic planning	
Production	
Quality	
Finance	
Good competitive level	

**Table 4**  
*Own Elaboration*

Factors affecting unprofitable businesses according to Saavedra in 2012 made it clear that the following factors affect businesses clear that the lack of regulation of competition, lack of transparency and simplification of the tax regime, lack of protection from insecurity, lack of experience, poor administrative management, difficulty in attracting customers, customer service,

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