Administrative and financial diagnosis of miscellaneous stores classified as microenterprises, in Izúcar de Matamoros, Puebla

Diagnóstico administrativo y financiero de las tiendas misceláneas clasificadas como microempresas, de Izúcar de Matamoros, Puebla

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Abstract

In Mexico, 80% of the tobacconists or miscellaneous shops, also known as "corner shops", are considered within the informal occupation. Taking into account that these microenterprises are a source of employment for a significant percentage of the employed population, we consider it vital to carry out an administrative and financial diagnosis, which allows us to establish the basis for the creation of a business model that allows them to join the sector formal and modernize, which would be a significant advance for the country Trade is the preponderant economic activity in Mexico, since it brings together 50% of the country's economic units. Of the 153 kinds of activities in which the North American Industrial Classification System (SCIAN) divides trade, ten stand out, which accounts for 56.4% of the economic units and 47.7% of the total employed personnel. Among the 10 most outstanding activities of commerce (INEGI, 2009), the activity of grocery stores and miscellaneous stores, represents the highest percentage of economic units with 31.2% and total employed personnel with 19.2%, that is, every 10 commercial establishments, three are grocery and miscellaneous stores and for every 100 people employed in commerce, 19.2% work in this type of economic units. This means that miscellaneous stores represent a significant percentage of employability opportunities for people in Mexico and, if something is not done to modernize and become more competitive, their sales will decrease and, given the competition represented by the chains Convenience stores, such as Oxxo, will continue to lose sales until they disappear and, consequently, people who live from this type of trade will have to look for other sources of income. This research aims to apply the results of the administrative and financial diagnosis of the miscellaneous stores in Izúcar de Matamoros, Puebla (542, according to INEGI data), to design a management and control model that allows them to be strengthened and boost their business development, implementing a control administrative and financial, which also contributes to the job stability of those engaged in this commercial activity and decreases their mortality rate.

MSMEs, Miscellaneous stores, Diagnostic, Financial and administrative contribution

Resumen

En México, el 80% de los estanquillos o tiendas misceláneas, también conocidas como "tienditas de la esquina", son considerados dentro de la ocupación informal. Tomando en cuenta que dichas microempresas son fuente de empleo para un porcentaje importante de la población ocupada, consideramos de vital importancia realizar un diagnóstico administrativo y financiero, que nos permita establecer las bases para la creación de un modelo de negocio que permita se incorporen al sector formal y se modernicen, lo que sería un avance de significativa importancia para el país. El comercio es la actividad económica preponderante en México, ya que reúne el 50% de las unidades económicas del país. De las 153 clases de actividades en que el Sistema de Clasificación Industrial de América del Norte, (SCIAN), divide al comercio, destacan diez, las cuales concentran el 56.4% de las unidades económicas y el 47.7% del total del personal ocupado. Dentro de las 10 actividades más sobresalientes del comercio (INEGI, 2009), la actividad de tiendas de abarrotes y misceláneas, representa el mayor porcentaje de unidades económicas con el 31.2% y de personal ocupado total con 19.2%, es decir, que, por cada 10 establecimientos comerciales, tres son tiendas de abarrotes y misceláneas y por cada 100 personas ocupadas en el comercio, 19.2% laboran en este tipo de unidades económicas. Lo anterior, significa que las tiendas misceláneas representan un porcentaje importante de oportunidades de empleabilidad para la gente en México y, si no se hace algo para que se modernicen y se hagan más competitivas, sus ventas disminuirán y, ante la competencia que representan las cadenas de tiendas de conveniencia, como Oxxo, seguirán perdiendo ventas hasta desaparecer y, en consecuencia, la gente que vive de este tipo de comercio, tendrá que buscar otras fuentes de ingreso. Esta investigación pretende aplicar los resultados del diagnóstico administrativo y financiero de las tiendas misceláneas de Izúcar de Matamoros, Puebla (542, según datos del INEGI), para diseñar un modelo de administración y control que permita fortalecerlas e impulsar su desarrollo empresarial, implementando un control administrativo y financiero, que, además, contribuya a la estabilidad laboral de quienes se dedican a esa actividad comercial y disminuya su índice de mortalidad. (INEGI, 2019)

Mipymes, Tiendas misceláneas, Diagnóstico, Financiero y Administrativo

† Researcher contributing as first author.

Goals

– Diagnose the current state of administrative and financial control of the miscellaneous stores in Izúcar de Matamoros, Puebla.

– Design an administrative and financial model to strengthen the miscellaneous stores in Izúcar de Matamoros, Puebla.

Methodology

– Obtain information from INEGI, the Colegio de México and the Ministry of Economy.

– Application of a survey to a representative sample of the miscellaneous stores in Izúcar de Matamoros.

– With the information obtained, a value proposal will be developed for grocery stores.

Contribution

Contribute to the solution of the problem caused by the high mortality of miscellaneous stores, due to the lack of a financial administrative model, which allows microentrepreneurs, make timely and effective decisions for the business development of their business and be more competitive and profitable.

Introduction

The "estanquillos" or miscellaneous stores, known as "tienditas de la esquina", are an important economic sector in the Mexican economy, due to their high market insertion potential and because they are a traditional distribution channel that favors the labor environment.

Due to their characteristics and nature, this type of business is today at a clear disadvantage compared to business models such as convenience store chains. However, they also have strengths that, if properly exploited, can turn their weaknesses into competitive advantages that make them more productive and profitable, thus reducing their mortality rate.

Justification

Among the main problems faced by miscellaneous stores in Mexico are: their size, the renovation of the establishment, the scarce use of modern technology and commercial training, problems that are reflected in their informal organization, weak management processes, empirical administration and very short-term vision. The lack of planning and of an administrative model in this type of microenterprise results in decision making guided more by intuition than by objective and reliable information.

This research aims to identify the weaknesses and disadvantages of the miscellaneous stores in Izúcar de Matamoros, Puebla, in relation to their administrative and financial control, in order to have sufficient elements to effectively design and implement strategies to increase their competitiveness and profitability.

1.1 Problem

The mortality rate of the small convenience stores in Mexico is high, a situation from which microenterprises of this type in Izúcar de Matamoros, Puebla, cannot escape. Therefore, in order to remain in the market and develop, it is necessary to adopt an administrative and financial model that makes them more competitive, efficient and profitable, through an optimal management of technological, financial and human resources.

1.2 Hypothesis

Adopting an efficient administrative and financial model, supported by technological tools, will significantly reduce the mortality rate of microenterprises called "Tiendas Misceláneas" in Izúcar de Matamoros, Puebla.

1.3 Objectives

1.3.1 General Objective

To provide micro-entrepreneurs, owners of miscellaneous stores in Izúcar de Matamoros, Puebla, with an efficient administrative and financial model to reduce their mortality rate.

1.3.2 Specific objective

To design an administrative and financial model to strengthen the miscellaneous stores, classified as microenterprises, in Izucar de Matamoros, Puebla.

Theoretical Framework

The continuous development of organizations is based on the planning and execution of activities at the operative and administrative levels, in which it is necessary to have the capacity to respond to market dynamics, in order to have tools and criteria for decision making in the face of each economic fact. This decision-making process has as an element of great importance the financial information of the organization, with which it is possible to have a control of the income and expenses of the economic entity, in order to provide information so that the administration can improve the processes related to investment, financing and production of the business (Becerra, 2006).

Types of companies in Mexico, according to their size:

Microenterprises: are those that have up to 10 workers and are generally individually owned, their owner usually works in this and their invoicing complies with tax requirements and accounting regulations.

Small companies: they have between 11 and 49 workers, their objective is to be profitable and independent, they are not highly specialized in their work, their activity is not capital intensive and their financial resources are limited.

Medium-sized companies: those with between 50 and 250 workers, usually have areas whose functions and responsibilities are delimited.

Large companies: are those with more than 250 workers, they generally have their own facilities. In addition, these companies have access to important loans and credits.

The classification, assigned by the Ministry of Economy and Industrial Development (SECOFI), today known as the Ministry of Economy, the Ministry of Finance and Public Credit (SHCP), the Ministry of Labor and Social Welfare (STPS), Nacional Financiera (NAFIN) and the National Bank of Foreign Trade, was published in the Official Gazette of the Federation on March 30, 1999..

Definition of small and medium enterprise according to secofi today secretary of economy (SE)			
Stratum	**Number of workers**		
	INDUSTRY	TRADE	SERVICE
Micro	Up to 30	Up to 5	Up to 20
Small	From 31 to 100	From 6 to 20	From 21 to 50
Medium	From 101 to 500	From 21 to 100	From 51 to 100
Large	More than 500	More than 100	More than 100

Table 1

When comparing the statistics of companies in different countries, there is great confusion as to their classification, but in general, they are called MSMEs to the set of micro, small and medium-sized enterprises or companies that are not large corporate businesses, meaning those with more than 250 workers. (Lambarry, 2016).

According to CONDUSEF data, SMEs turn out to be a very important sector for the Mexican economy; as these micro, small and medium-sized enterprises (MiPyMes) generate nothing more and nothing less; than 72 percent of employment and 52% of the Gross Domestic Product (GDP). Broken down respectively, micro-enterprises, which number approximately 4.1 million, contribute 41.8 percent of total national employment, while the small ones represent 174,800 and generate 15.3 percent. And the medium-sized ones are about 34,960 companies, with an employment contribution of 15.9 percent.

Undoubtedly, the importance of these companies is enormous for the country's economy; this is due to the fact that the activities in which they are concentrated are usually among the most popular and crowded, as most are focused on those related to commerce, services and craft industry, in addition to independent jobs.(CONDUSEF, 2019)

Types of companies

The author of the Accounting II book the C.P, Sastrías Fraudenberg Marcos, gives an extensive overview of the different types of companies and, according to the line of business, classifies them as follows:

1. Commercial companies are those that compose their products or merchandise to resell them with a certain margin of profit or benefit can be specified in:

a) Wholesalers; are those that make sales on a large scale to other companies, both retail and retail.

b) Retailers: are those that sell a product both in large quantities and per unit, either for resale or for the use of the end consumer.

c) Retailers: are those that sell products in small quantities to the final consumer.

d) Commission merchants: are those engaged in selling goods that producers give on consignment, in percent for this function a profit or commission.

2. Industrial Companies: These are the ones that start with raw materials, process them and obtain finished products for sale. These in turn are classified as follows:

a) Extractive: are those engaged in the extraction of natural resources and renewable or non-renewable asea.

b) Manufacturing: are those that transform raw materials into finished products and can be of two types:

−   Companies that produce final consumer goods
−   Companies that produce production goods.

c) Agricultural: their function is the exploitation of agriculture and livestock.

3. Service companies, those that provide a social service to the community, such as transportation, telephones, schools, banks, among others.

4. Companies with Specialized Activities, such as agricultural, livestock, fishing, cultural, sports, cooperatives and others.

Classification of MSMEs

Microenterprise: it is a small-sized enterprise, its definition varies according to each country, although, in general, it can be said that a microenterprise has a maximum of ten employees and a limited turnover; on the other hand, the owner of the microenterprise usually works in it. Its capital, number of workers and income are only set at a very personal level. These are businesses that do not have a significant impact on the market (they do not sell in large volumes) and whose activities do not require large amounts of capital (on the other hand, labor is predominant). This type of business is of great importance in the economic life of a country, especially for the most economically vulnerable sectors.

Family-enterprise: this is a new type of exploitation in which the family is the driving force of the business, becoming a productive unit. These enterprises as a whole are often created out of the need to obtain an income for the survival of the family or to face certain risks or expenses. Therefore, they are not programmed to develop but to satisfy the needs of their promoters.

Small: The small company is an independent entity, created to be profitable, which does not predominate in the industry to which it belongs, whose annual sales in values do not exceed a certain ceiling and the number of people that form it does not exceed a certain limit. Like any company, it has the desire to obtain material goods and technical and financial capacities, all of which allow it to engage in the production, transformation and presentation of products and services to satisfy certain needs and desires existing in society.

Medium: The medium-sized enterprise is that economic unit with the opportunity to develop its competitiveness based on the improvement of its organization and processes, as well as to improve its entrepreneurial skills. This type of company involves several hundred people and in some cases up to thousands, which generally have a union, there are well defined areas with responsibilities and functions, which has automated systems and procedures for the benefit of the organization.

Large. They are characterized by handling large capitals and financing, they usually have their own facilities, their sales are several million pesos, they have thousands of trusted and unionized employees, they have an administration and operation system closely at the forefront and can obtain lines of credit and loans with national and international financial institutions.

3. Research Methodology

The research topic will be addressed in three chapters: first, the state of the art will be established, which implies a complete vision of the business sector framed in the MSMEs and the object of study; second, the diagnosis of the current administrative and financial status of the miscellaneous stores in Izúcar de Matamoros will be carried out, in order to identify the problems of the economic entity; finally, the proposal of the administrative model for the miscellaneous stores will be presented.
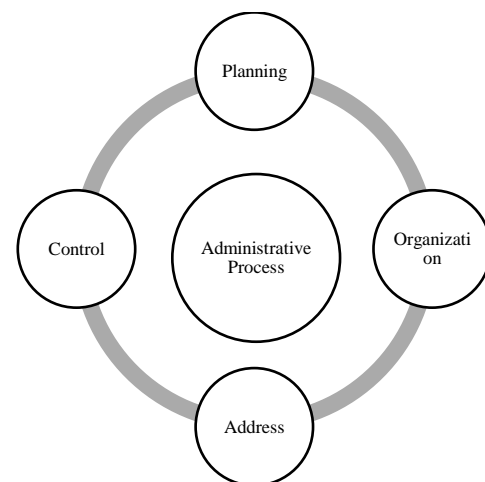
3.1 Administrative Process

Management, as a science, demands in its theoretical and practical development a systematized style of thinking, with solid bases in research and in the elaboration of its theories, which breaks with routine systems and improvisations on the part of those who practice it. These are some of the characteristics of management that result in the use of the most important tool that the manager could have adopted in his practice: the scientific method, and with it, the creation of a true work structure appropriate to his particular way of being: the administrative process.

A process is the set of steps or stages necessary to carry out an activity.

The administrative process is defined as a sequence of phases or stages through which the administrative practice is carried out. At present, the four-part division, of four phases, is the most universally accepted: planning, organization, direction and control.

In convenience stores, it is necessary to implement two elements of the administrative process in order to achieve a higher level of efficiency in the management of their financial and human resources: Planning and Control.

Graph 1 Administrative Process
Source (I C., 2006 Septima Ed.)

Planning is the first phase of the administrative process, since it is essential to determine the results that the social group intends to achieve, as well as the future conditions and the necessary elements for it to function effectively. Planning establishes the basis for determining the risk element and minimizing it. Efficiency in execution depends to a large extent on adequate planning.

For Porter, the essence of planning is based on generic strategies to achieve competitive advantages where the actions to be applied in the different functional areas of the company are created, since, as he states: "a business unit strategy is the means to achieve the competitive advantage that will govern its performance" (M P. , 2009).

Planning is the process of deciding the actions to be taken in the future. Generally in the planning procedure consists of considering the different alternatives in the course of actions and deciding which of them is the best (Robert N. Anthony, 2015, P. 72).

The organization corresponds to the stage of the administrative process that is fundamental in the entity to carry out any event, through the rational ordering and coordination of all the resources that are part of the social group. The word organization has three meanings: an etymological one that comes from the Greek orgañon meaning instrument, the other refers to the organization as an entity or social group and, finally, it refers to it as a process.

Eugenio Sisto Velazco points out that the organization is: grouping and ordering the activities necessary to achieve the established purposes by creating administrative units, assigning functions, authority, responsibility and hierarchy and establishing the relationships that should exist between these units (Much, 2015). Management in the administrative process also called execution, command or leadership is a function performed by administrators, managers, managers, etc. who must help people to fulfill their personal interests and those of the company, allowing an optimization of resources, considering the tools of management that are focused on the use and optimization of the human factor: motivation, leadership and communication.

Burt K. Scanlan. It consists of coordinating the common effort of subordinates to achieve the goals of the organization.

Joel J. Lerner and H. A. Baker. It consists of directing operations through the cooperation of the effort of subordinates, to obtain high levels of productivity through motivation and supervision.

Control is the last stage of the administrative process, closely related to planning, which is responsible for monitoring and supervising the elements of the administrative process.

Burt K. Scanlan. The purpose of control is to make sure that events go according to the established plans.

Robert C. Appleby. The measurement and correction of the performance of subordinates in order to ensure that both the company's objectives and the plans for achieving them are met efficiently and economically.

3.2 Financial control

Financial information is of utmost importance for management, allowing the identification of the cash flow used in the transactions carried out, in addition to evaluating the management of these resources in order to generate liquidity or economic solvency to support the economic entity in the face of any adversity that may arise. In this way, the identification of the cash flow in the areas of financing, operation and investment, comes from a good administrative and financial control that allows it to be competitive in the market.

4. Results

This research was carried out during the months of May and June 2019, applying a 25-question questionnaire to 102 miscellaneous stores in Izúcar de Matamoros, Puebla, which represents 18.8% of the universe under study. The results obtained are presented below:

Graph 1
Source: Own

As can be seen, 87% of the managers of the miscellaneous stores keep records of sales transactions and 13% do not keep records. Of all the stores surveyed, only 21% use a computer.
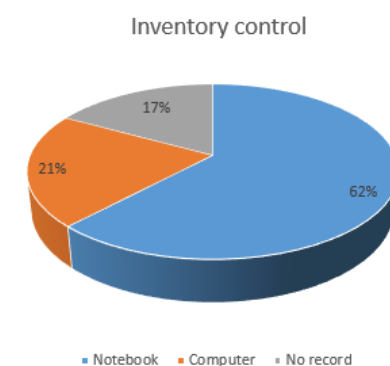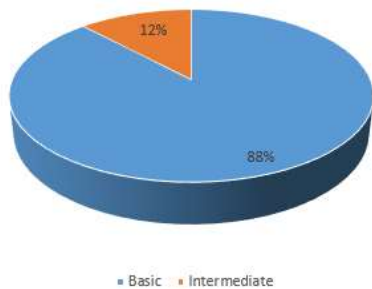

Graph 2
Source: Own

In this case, 17% of the businesses surveyed do not keep any type of inventory control, and logically, those with computers do use them for this purpose.
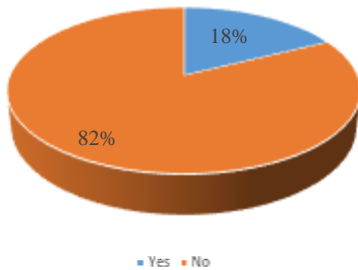

Graph 3
Source: Own

Here we can see that all those surveyed have knowledge or know how to use Office programs, but 88% only have basic knowledge and 12% have greater knowledge, which indicates that 57% of those who use a computer require some training course to enable them to make better use of this resource. On the other hand, we can assume that those who do not use a computer for their records do so because they do not have the resources to acquire one, since they do have basic knowledge.
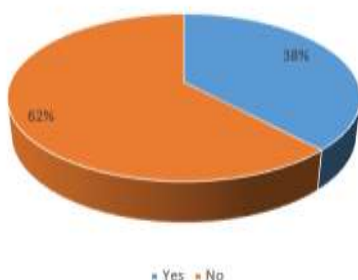

Graph 4
Source: Own

Only 18% of the stores grant credit to their customers, with a limit of $300.

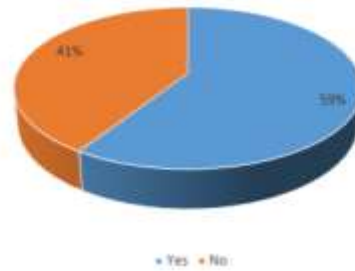**Graph 5**
Source: Own

A significant percentage of the owners of miscellaneous stores have access to the Internet; however, it would be desirable for this percentage to grow to at least 85%, so that they can take advantage of the administrative tools and other resources that can be found on the Internet.

Graph 6
Source: Own

Income from product sales represents, for 59% of the miscellaneous store owners, the main or only source of economic resources to cover their needs. It is therefore imperative to offer a viable alternative to improve business management and increase profitability.

5. Conclusions

At present, for the miscellaneous stores of Izúcar de Matamoros, and we can infer that also for those of the state of Puebla, it is essential to evolve from an empirical administration to a professional administration, implementing the use of administrative tools such as purchase planning, inventory control, scrupulous registration of inputs and outputs, determination of operating costs, price control, minimum and maximum stocks of goods, innovative marketing and communication strategies, including customer service. The efficient use of IT and basic tools such as spreadsheets is linked to the implementation of the aforementioned administrative tools.

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