

Productive Architecture in MSMEs, Management Alternatives and Sources of Financing

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Abstract

This research study presents the analysis of the results on external factors in a company that have a significant difference between micro and small enterprises in the region of Angostura, Sinaloa, Mexico. We analyzed the external factors that lead to the lack of continuity in the companies. A sample of 30 companies was randomly shaped by several economic sectors of the region, of which they were applied in four rural communities of the municipality, being the following: Colonia Agrícola Independencia, The Reform, Colonia Independencia, and Leopoldo Sánchez Celis, all in active companies. It was found that the factor with the greatest impact are the external factors, from which the items that make up the variable were found, finding that the lack of sources of financing is the most significant. However, it is also important to emphasize that microentrepreneurs need more information on financing sources.

Micro and small enterprises, sources of financing, management

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1. Introduction

In Mexico as in many other countries in Latin America, Asia, and the United States, for example, the so-called small and medium-sized companies or SMEs make up the vast majority of the business universe in the world. Hence the strategic importance that these acquire or should in terms of national, regional or local economic development, according to figures from the National Institute of Statistics (INEGI, 2014). There are more than five million companies in Mexico and around 350,000 new ones are opened every year. Of these companies, 95% are micro and small companies (SMEs), companies of all sectors including agricultural producers, livestock farmers, fish farmers, miners, craftsmen, manufacturers, businesses, tourism and cultural services and others.

SMEs in Latin America have a very important role in the economic performance of the countries that make up the region. In this sense and as it deepens further, in the most advanced nations of this geographical area such as Mexico, Chile and Argentina, SMEs generate 6 out of 10 jobs, contribute more than 30% of GDP and concentrate more than 96 % of the companies that work in the Industry, Trade and Services of these countries. (Well, 2007).

The Secretary of Economy through the National Institute of the Entrepreneur (INADEM, 2016) and the Mexico Emprande Trust, promote the Support Fund for Micro, Small and Medium Enterprises (SME FUND), which is an instrument that seeks to support the companies in particular to those of smaller size and entrepreneurs with the purpose of promoting national economic development, through the granting of temporary support to programs and projects that promote the creation, development, viability, productivity, competitiveness and sustainability of the micro, small and medium enterprises.

It also contemplates the National Entrepreneur Fund, which aims to encourage national, regional and sectoral economic growth through the promotion of productivity and innovation in micro, small and medium-sized enterprises located in strategic sectors, which promotes orderly strengthening, planned and systematic entrepreneurial and business development throughout the national territory, as well as the consolidation of an innovative, dynamic and competitive economy.

Particularly the INADEM, provides support to entrepreneurs and Micro, small and medium enterprises through calls, which are divided into the following categories:

- Programs of Strategic Sectors and Regional Development.
- Business Development Programs.
- Entrepreneurship and Financing Programs.
- Programs for SMEs.

According to the magazine Entrepreneur (2016), it presents 7 forms of financing to start or grow a business, according to the one that best suits the interests and needs of each business.

1. FFF Friends, Family and Fools is the first source of financing, since it is used for the constitution of the company itself and occurs when an entrepreneur starts his business thanks to the help of his family and friends.
2. Government Funds. They are used to generate business models and project development, that is, when it is more advanced than a simple idea. They are also used to create prototypes that help market the product or service in the market. The main sources are the funds of the Ministry of Economy.

3. Seed capital It is a loan that delivers the amount of money needed to implement a company and finance key activities during the start and start of the project. It is delivered when the company is incorporated and has some important product, but requires money to operate or for working capital.
4. Angel investors. The companies that are functioning generally receive this type of contributions, because for their high innovative content or potential development they attract credits. Generally angel investors are independent or belong to a club, since they style networks of this type of support in companies.
5. Venture capital. It is used when the company has a certain level of development; It is a fund that invests greater amounts. It is a temporary contribution of resources from third parties to the assets of a company to optimize their business opportunities and increase their value. In this way solutions are given to business projects, risk and returns are shared.
6. Private equity. It is a fund for large companies and is used to expand the business or for internationalization. It provides capital in exchange for shares that the company grants. In addition, it contributes with monetary resources such as contacts, best practices, administration, etc.
7. Banking financing. Companies can go to bank financing in order to have flow in the daily operation of the business. In addition to commercial banking there are Sofomes that can help, as well as companies dedicated to financial factoring. The important thing is to compare the products and bet on the one that best suits your personal needs, since the credit must be a tailored suit.

1.1 Management alternatives to boost the development of SMEs

The objective pursued by contemplating management models in micro, medium and small companies and organizations, is to increase the economic and managerial level, through the creation, development, application, validation and improvement of intervention models that allow them to be competitive.

Undoubtedly, small and medium-sized Mexican companies face large and varied problems and challenges. In this section an analysis of the development potential that can be acquired is made, based on their management capacity in financing sources, generation of productive and alternative projects in management models, use and optimal use of social networks to acquire or absorb the organizational knowledge contemplating a support of advisory or timely training in the knowledge and necessary skills of their businesses.

1.2 Market strategy (Global environment and social networks).

Global environment According to a publication in the newspaper La Razón de México (2015). The Trans-Pacific Partnership Agreement (TPP, for its acronym in English) opens a chapter for Small and Medium Enterprises (SMEs) in which it is agreed to promote a growth model in the value chain of the role they play. For this, it was agreed to give the same value to physical products as Services and Electronic Commerce, likewise the Presidency of the Republic on its website, stressed that, through these channels, SMEs can be integrated into the commercial chain through electronic commerce, placing in the markets not only their material products but their talent in service and creativity in intangible goods.

He affirmed that the TPP corrects an area of opportunity of the Free Trade Agreement, "opens a new window to 200 million potential customers. Mexican companies will enter new markets and consolidate their presence in the markets of Latin America and North America. "

Social networks. According to Forbes magazine (2015). In Mexico there are more than 5 million small and medium enterprises, but only 30% of them, 1.5 million, use Facebook (FB) to connect with their clients or potential clients.

2. Theoretical framework

To achieve the growth of a company it is necessary to use different ways to get the capital to obtain a favorable development and meet the objectives. To determine the financial sources of a company, which are the promotion for the development of an organization, it is necessary to know also the financial structure of the company, which is the basis of the project, in the opinion of Rico and Cabrer (2015), the financial structure "is the composition of capital or financial resources that the company has captured or originated. These resources are those that in the balance sheet appear under the generic denomination of liability that includes, therefore, the debts and obligations of the company, classifying them according to their origin and term. "

The sources of financing are a form of economic aid for the company and it can meet the goals set and in turn have a growth in its development. In the opinion of Rico (1995) "Are those alternatives that will offer to the company or organization, the economic elements necessary to meet its objectives, whether these obligations to be met immediately, be the undertaking of any project, etc., under more favorable weather and cost conditions at the right time. "

Based on the opinion of the authors Artigas and Romero (2013), the sources of financing are the possibility of receiving public aid (of which funding and participation in calls for projects can not be ignored) and donations or contributions from related users, for example some partner for the company.

In order to have a good development in an organization, an analysis of the adequate financing must be made for the business of a company and on the capital that is needed to carry out the project, the sources of financing are indispensable for the growth of the organizations, this according to the understanding of the opinion of the authors (Glenn et al., 2009).

The sources of financing are very important in any company to be able to have an adequate growth to meet the established goals, analyzing the knowledge of author Fernández (2009) "there are three types of financing sources that are shown in the following scheme and later explained each of them."

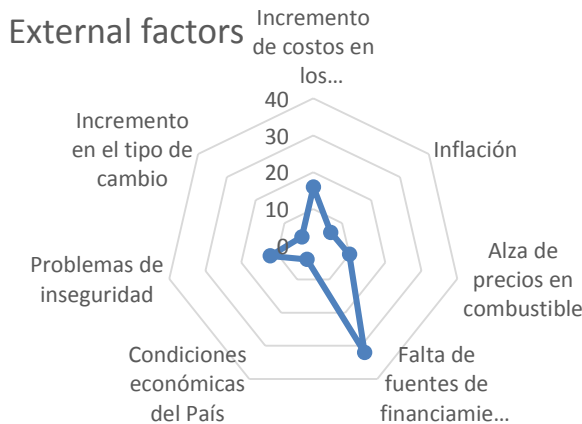
3. Methodology

For this study, a quantitative analysis was carried out with an exploratory scope, for the collection of data an instrument questionnaire was used composed of 30 items, on a Likert scale, to 30 companies from four communities of the municipality of Angostura, Sinaloa, Mexico.

The instrument was composed of two variables: 1) External factors that favor the development or closure in the mipyme, use and knowledge about government support and funding sources, as well as 2) indicators of a socially responsible company; a) Commitment to the community, b) Quality of life in the company, c) Competitiveness and relationship with its stakeholders, and d) Care and preservation of the environment.

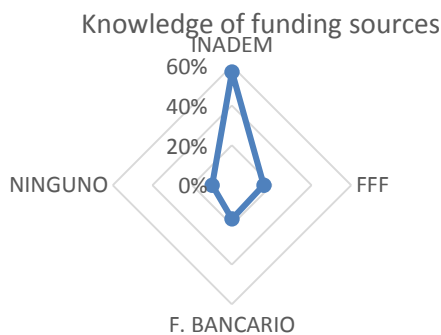
4. Results

In this study it was found that the variable that considers that it has a higher significance is the lack of funding sources, on the other variables as can be seen in the graph 1.



Graph 1 External Factors

With respect to the use and knowledge of the sources of financing and governmental support, it was observed that there is ample knowledge about the existence of alternative sources for financing in MSMEs; however, it is not enough, since there is a lack of considerable information in the producers and micro-entrepreneurs of the area of influence of the research. Added to this 80% of these entrepreneurs are willing to invest their own economic resources and personally manage government support to obtain financing and thus increase their structure and production team.



Graph 2 Knowledge of funding sources

5. Conclusions

In the analysis of the companies surveyed, it is observed that the factors that can affect the closure of the SMEs, refer to external factors which mainly affect the decision making for the decline of the same, with a greater emphasis on this section referring to a limitation in the lack of funding sources.

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