

## Costs strategy in the value chain in the manufacturing company of automotive components

### Estrategia de costos en la cadena de valor en la empresa manufacturera de componentes automotrices

CERVANTES-ZUBIRIAS, Gabriela†, ALVA-ROCHA, Lisset Anel, MORALES-RODRÍGUEZ, Mario Alberto and DÍAZ-MARTÍNEZ, Marco Antonio

*Universidad Autónoma de Tamaulipas. Unidad Académica Multidisciplinaria Reynosa-Aztlán, Mexico.*

ID 1<sup>st</sup> Author: *Gabriela Cervantes-Zubirías* / **ORC ID:** 0000-0002-9912-5035, **CVU CONACYT ID:** 1182104

ID 1<sup>st</sup> Co-author: *Lisset Anel, Alva-Rocha* / **ORC ID:** 0000-0003-3785-1143, **CVU CONACYT ID:** 1054661

ID 2<sup>nd</sup> Co-author: *Mario Alberto, Morales-Rodríguez* / **ORC ID:** 0000-0002-1342-297X, **CVU CONACYT ID:** 687076

ID 3<sup>rd</sup> Co-author: *Marco Antonio, Díaz-Martínez* / **ORC ID:** 0000-0003-1054-7088, **CVU CONACYT ID:** 866575

**DOI:** 10.35429/JAF.2022.24.9.1.13

Received January 10, 2022; Accepted April 30, 2022

#### Abstract

The manufacturer of automotive components located in Reynosa Tamaulipas. Its main mission is to meet all customer requirements focused on environmental protection and employee safety, likewise its vision is to be positioned in the competitive market and that its brand is recognized globally, achieving customer satisfaction customer, employees and job growth, creating and innovating new products. In the present work the value chain of a company of your choice is analyzed and described, as well as identifying in that value chain, those aspects that generate this competitiveness. And it is that companies also organize their activities around the value creation process, so the value chain concept can also be used in restoration. It was decided to apply the SWOT to study the weaknesses and strengths in the manufacturing company. manufacturing and identify the strategies that can be applied in the company for the continuous improvement of its processes.

#### Strategies, Processes, Manufacturing, Technology and innovation

#### Resumen

La empresa manufacturera de componentes automotrices ubicada en Reynosa Tamaulipas. Tiene como misión principal cumplir con todos los requerimientos del cliente enfocados a la protección ambiental y la seguridad de los empleados, así como su visión es estar posicionada en el mercado competitivo y que su marca sea reconocida a nivel global, logrando la satisfacción del cliente, empleados y el crecimiento laboral, creando e innovando nuevos productos. En el presente trabajo se analiza y se describe la cadena de valor de una empresa de su elección, así como identificar en esa cadena de valor, aquellos aspectos que generan esta competitividad. Y es que, las empresas, también organizan sus actividades en torno al proceso de creación de valor, por lo que, también puede utilizarse en restauración del concepto de cadena de valor. Se decidió aplicar el FODA para estudiar las debilidades y fortalezas en la empresa manufacturera e identificar las estrategias que se pueden aplicar en la empresa para la mejora continua de sus procesos.

#### Estrategias, Procesos, Manufactura, Tecnología e innovación

**Citation:** CERVANTES-ZUBIRIAS, Gabriela, ALVA-ROCHA, Lisset Anel, MORALES-RODRÍGUEZ, Mario Alberto and DÍAZ-MARTÍNEZ, Marco Antonio. Costs strategy in the value chain in the manufacturing company of automotive components. Journal of Administration and Finance. 2022. 9-24:1-13.

†Researcher contributing first author.

## Introduction

In a globalized world, where companies have a great importance within the economy of a city or a country, which have gone through different situations, which refer to the need to improve and optimize their activities to generate products in the shortest possible time, with minimal effort that's why the industry has a political impact, social and cultural, since it affects all the activities of the human being.

It has a series of promoter with unique qualities, among which we can mention, customer service, technology and innovation, quality inputs, characteristics and performance of the product among others, they are promoters that what they seek is to generate that differentiation in relation to what the competition may be offering. (Avila, 2021)

It is important to analyze the above, since they are essential as an attraction to people who want to buy the product, that is, it has the qualities that the competition does not have. However, to be specific, it is necessary to remember Porter's model, which is manifested as follows: Porter's Five Forces Model: Customer Bargaining Power. It depends on the improvement of supply and demand in the market. When customers are satisfied, they buy a certain number of products, which the competition. For example, we can highlight their number of organizations, the growth in demand for products, fixed costs even down to their falls, and their forms and strategies. (Baena, 2021)

Given the importance of these improvements, a sustainable tool such as the value chain helps to improve the economy of a place that has not been able to get up economically speaking. In addition, the commitment of all the actors involved in the sustainable development of the place is needed. Whether it is a private sector or a public sector, which includes associations, cooperatives, universities, institutions, international agencies and civil society. For this reason, the value chain plays an important role within the industry, building a framework for innovative analysis of the activity from a holistic and integrating perspective, as well as the identification of policies to be formulated to incorporate sustainability as a strategic variable of business management and positioning of destinations in the markets.

In addition to designing strategies for the creation and development of the links in the value chain, taking good practices and international success stories as a reference, in order to achieve success in the sustainability of companies. (Chandler, 1962) The value chain of the channels are the delivery mechanisms of the company's products to the end user or customer (Ortiz, 2019). In this chain, it is considered that the costs and margins of the distributors are part of the price paid by the end user and that the activities carried out by the distributors of the company's products or services affect the satisfaction of the end user (Alvarado, 2017)

On the other hand, the buyer's value chains are the source of differentiation par excellence, since, in them, the function of the product determines the needs of the client, the product of a company represents the purchased input for the buyer's chain (Ceballos, 2015).

The differentiation of a company results from how its value chain is related to the value chain of its buyers. This is a function of how the company's physical product is used in the particular buyer activity in which it is consumed, as well as all other points of contact between a company's value chain and the buyer's chain (Padilla, 2016). However, it is possible to identify two types of activities in the value chain, which are: primary and secondary or transversal activities (Alvarado, 2017).

The primary activities refer to the physical creation of the product, its design, manufacture, sale and after-sales service. They can also, in turn, be differentiated into direct, indirect and quality control sub-activities (Balleza, 2017).

Strategic planning is the art of creating specific business strategies, implementing them and evaluating the results of executing the plan, considering the long-term goals or objectives of a company. This must be adaptable to survive in changing or unforeseen conditions. During the planning process, it can be said that it is to draw the most direct line or have the clearest path from where we are today to where we want to go and begin to articulate the organization in any strategy to stay on a straight path. (Vo., 2020)

All strategic processes have a starting point. For companies, this starting point stems from an organizational need to adapt, compete and evolve within a competitive market. The early innovators in strategy, Henry Mintzberg and Max MacKeown, understood this and defined strategic planning as “patterning a stream of decisions” and about “shaping the future”. However, developing a pattern and shaping the future first requires laying the groundwork for success. Strategic planning is a top-down process where every level of an organization is part of the strategic planning process. (Thompson, 2021)

The strategy of a company can be better than that of another regardless of size; it does not necessarily have to be the largest to be able to get ahead. The important thing is that you have defined the objectives to which you are aiming, that you have the knowledge and the desire to move the project forward. In the current economic conditions in which organizations operate, there are no large capitals willing to be risky in large companies. On the contrary, it is the small investors who risk the most to invest to try to carry out their projects. They constitute possible choices to face research problems and are equally valuable. (Flores, 2017)

### Literature review

(Contreras, 2013)The concept of strategy has had a great boom over time with many different uses and applications, from the military field – where it is said to have originated–, passing through the political, administrative, economic, religious, cultural and social fields; in each of them it stands as a reference for the way in which it has been used. Likewise, the strategy is a bet in such a globalized world in which companies struggle to stay in the market using all the tools they have, establishing flexible and aggressive management policies that allow them to position themselves and have continuity in the future. (Garcia, 2015)BUSINESS FINANCIAL STRATEGIES.

The business world is not only in constant change, but it is generating improvement, which means that it undergoes deep transformations that will produce more changes and faster. In this first proposal, useful tools are presented for those who are in the business field, from the financial point of view, linked to situations that are sometimes not identified as having an impact on the organization's resources. It is important to mention that there is some controversy on some occasions about what the objective of business is, according to the Dictionary of the Royal Spanish Academy, Introduction 2 Business financial strategies among its meanings is that business is "That which is the object or matter of a lucrative occupation or of interest..." and negotiate "Trade and trade, buying and selling or exchanging goods, merchandise or values to increase the flow...". In this way, it can be considered that the objective of the business is to obtain a benefit from those involved.

Hernández et al., (2017). He results of this exercise show that more than half of the companies belonging to the sample are medium-sized companies, and only 40% of them develop activities focused on technological innovation, preferably involving marketing and design actions, investing amounts of resources that are reflected in organizational development.

(Millan, 2020) The main objective of his research is to establish the level of innovation in technology and strategic direction of small and medium enterprises (SMEs) in the city of Barranquilla, Colombia. For this purpose, a descriptive investigation was carried out, using a data collection technique, in which six variables were analyzed that determined the size of the company in terms of number of workers, the type of innovative activities that they implement, the budget they invest in technology, the preferences regarding the area in which they innovate and the relationships between what they invest and the technological innovations carried out in a sample of ten companies in the city. The results of this exercise show that more than half of the companies belonging to the sample are medium-sized companies, and only 40% of them develop activities focused on technological innovation, preferably involving marketing and design actions, investing amounts of resources that are reflected in organizational development Restrepo de O., L. S., Estrada Mejia, S., & Ballesteros S., P. P. (2010)

In his research work, he presents the development of a logistics planning model for a formal organization. The model compiles the strategic direction of the company in which an analysis of the environment is carried out, through systemic analysis and Porter's five forces, which allow it to be evaluated. With corporate strategies, adjusted with the strategies that add value to the supply chain, the achievement of successful results for the organization is facilitated.

(Curto, 2017). The context of the information society has led to the need for better, faster and more efficient methods to extract and transform an organization's data into information and distribute it throughout the value chain. The aim of this research is to develop and validate a measurement scale for consumer's perceptions of corporate social responsibility (CSRConsPerScale) using the three-dimensional social, environmental and economic conceptual approach as a theoretical basis.

(Chiavenato, 2006) In his research he mentions that all activities related to the production of goods (products) or the provision of services (specialized activities) are planned, coordinated, directed and controlled by organizations; These are people and non-human resources (physical and material, financial, technological, marketing, etc.). People's lives depend intimately on organizations and these depend on the work of the former. In modern society, people are born, grow up, learn, live, work, have fun, interact and die within organizations. These are extremely heterogeneous and diverse, whose size, characteristics, structures and objectives are different. (Vives, 2019) There are for-profit organizations, called companies, and other non-profit organizations such as the army, the Church, public services, philanthropic entities, non-governmental organizations (NGOs), etc. Organizational Theory (OT) is the field of human knowledge that deals with the study of organizations in general. Because of their size and the complexity of their operations, when they reach a certain size, organizations need to be managed by a group of people stratified at various hierarchical levels dealing with different issues. Administration is nothing more than the rational direction of the activities of an organization, with or without profit.

It implies planning, organization (structure), direction and control of the activities carried out in an organization, differentiated by the division of labor. Therefore, management is essential for the existence, survival and success of organizations. Without management, organizations will never have conditions that allow them to exist and grow.

### **Data and method**

(Hernandez, 2014) He is one of the authors who is generally approached for this type of project because he expresses the following: Quantitative, qualitative and mixed approaches are possible choices to face research problems and are equally valuable. They are, until now, the best ways designed by humanity to investigate and generate knowledge based on it, the following is fulfilled. Carry out the observation of the phenomenon. Establish assumptions or ideas under the previous point. Substantiate each and every one of our ideas. Review them on the basis of evidence or analysis. Propose new ideas to clarify, modify and substantiate these to generate others. What is carried out in this research and development is the comparison, interpretation, establishing precedents and determining the causes of a phenomenon or research problem. The SOWT analysis was applied to determine its strengths and weaknesses in the manufacturing company dedicated to the manufacture of automotive components. According to the SOWT analysis, it has been detected that it has policies, mission and vision and objectives in its strategic planning, but one of the threats it presents is to strengthen the training of employees so that they know the objective that the company pursues in the short and long term, and comply with internal and external audits within the processes for the evaluation of strategies, since this phase allows a value judgment to be issued for the management of the organization, and it is of the utmost importance to review costs-benefits and review agreements and contracts with suppliers and customers as well as their processes with interest groups, as well as increasing their loyalty.

Based on the SWOT analysis as we have mentioned before and as we found thanks to the Scientia Magazine Et Technica (2010) in the article entitled "Logistics strategic planning for a business holding company" something interesting that handles in the development is the following.

Strategic planning is the sequential process that the company must carry out in order to project itself and manage to develop in a turbulent, fast, demanding and violent environment. In order to meet the challenge of competing in the markets, they must adapt and interact harmoniously with the environment. The strategy formulation process has a set of steps in which the organization analyzes its past, the present and establishes how the organization hopes to face the future. Thus, we have and understand that logistics strategic planning includes the areas of: Manufacturing and Physical Distribution (Mullins,2015).

In the manufacturing area, it comprises a group of decisions on matters that have to do with the following aspects: the degree of vertical integration; the number, size and location of manufacturing facilities; the technology to be used in the process; the type of production plan to follow, which products are to be produced and which are to be purchased, at which manufacturing facility and for which markets. It should be noted that not all supply chains have the same processes, nor can they clearly identify the cycles that occur between two successive stages of the chain. Therefore, it is important to know that once certain decisions have been made, strategies are designed in the supply chain, which are aimed at: Assume functions internally, know what the products will be to be manufactured, Storage, Inventory Management, Means of transport and Information System (Téllez, 2019)

## Result and discussion

As a result, the following fit was determined as shown in table 1. in the strategy adjustment analysis, considering that those that can be effective according to the analysis and methods in the strategy adjustment analysis, considering that those that can be effective according to the analysis and methods applied, it is relevant to consider their evaluation and their assessment of the way the organization performs.

Dofa matrix Business analysis method	
Debility	Opportunities
- Higher Costs. - Slow decision making.	- -New home construction polices. - -International Social Polices.
Strengths	Threats
- National leadership. - Customer satisfaction. - Technological development. - Provider development.	- Competence. - Security issues. - Political problems. - Weakness in the implementation of norms and laws in the implementation of services. - Government policies of other countries.

**Table 1.** Strategy fit analysis  
*Source: Own elaboration*

Some conflicts of the company mentioned above were identified, what we comment and expose is the following: quality service, Product variety, Tolerance of customers waiting for your product and Product and transport innovation. What the author does mention that: The supply chain strategy will determine: procurement of raw materials, transportation of materials, product manufacturing, distribution. These strategies must be closely linked with the corporate strategies and the corporate strategies and the strategies of the supporting processes, they must be synchronized with each other to be successful. Strategic fit means that both strategies must have their goals aligned up to this point. It is important to highlight that, according to the author, the capacity of the supply chain is going to be closely related to the costs involved in obtaining a response capacity. That is, to respond to a broader range of quantities demanded, capacity must be increased (which raises costs). (Muñoz, 2018)

These variables must be highly analyzed to achieve a balance between cost response capacity. Taking us to the holding company, defined as: "The partner company or owner of a group of common companies, this is formed in order to control they activities in the same market, which ensures that the companies that are part of the Holding have access to raw materials, logistics, transportation, financing, etc. For this, the Holdings will be considered as a form of business integration and collaboration, that can control the entire chain or process of a good or service, taking into account that risks must be minimized and profits maximized.

Becoming necessary to carry out a diagnosis of the company, where we can determine the following.

Infrastructure. - It must be adequate in terms of the roads to be able to properly market the products. Security. -So that the development of the activity can be carried out, since it is a fundamental element that will allow the cargo to be mobilized. Policies. - They must be generated in the country to which they are oriented to impact, always in a positive way, by virtue of development. Training. - Aimed at those previously involved, since they will be the ones who will facility and guarantee the normal flow of the operations carried out. Thus, our final approach for the design of strategies that allow the achievement of corporate objectives would be as shown in table 2. How he mentions (Freed, 2002) points out that to formulate strategies it is necessary to identify the mission of the company, its objectives and tactics that it uses all this before carrying out the strategic planning process that begins with an external audit to identify threats and opportunities and is fundamental in the value chain or supply chain strategy proposal.

Corporate strategy		
Product and development strategy	Supply chain strategy Manufacturing Inventory Delivery Time Purchase Transport	Marketing and sales strategy
Information Technology Strategy		
Financial Strategy		
Human Resources Strategy		

**Table 2.** Design of strategies  
*Source: Own elaboration*

Through strategic planning, organizations can understand their current state, where they want to be and therefore what they need to do to get there. It is an exercise that defines what you want to achieve and the ways in which it will be done, always considering the available resources.

The development of effective product strategies implies that the company that applies them must have a good understanding of consumer behavior and their response to the launch of new products. It is also important to know the attitudes and reactions of competing companies to the strategies developed by the company itself. (Arroyo, 2020).

By having a product strategy, a company can define its path forward taking the product as a reference, one of the elements of the marketing mix. With the design of a good or service to be produced and the choice of the market in which it is going to operate, the organization develops its commercial action plan.

A product strategy is said to be good when it emerges from a thorough investigation of the characteristics of the product with which it will enter the market. Thus, the specialists emphasize the importance of carrying out an intense preliminary work on ideas and studies of the market and the target audience to which the offer will be directed, for which a correct customer segmentation should be carried out (Lavado, 2021)

Consequently, the main pillars of a correct product strategy will be: Knowing well who the product will be aimed at, Being clear about the benefits and benefits of the product and What the product brings as a novelty compared to the competition. (López., 2018)

Finally, we can say that its importance is due to the fact that it channels the resources from savings towards the production and financing of companies and, in addition, attracts resources on a massive scale. (Leiro, 2020)

Organizations are formed to achieve the fulfillment of objectives that involve their interests, and that generally allow them to obtain a benefit. According to these interests, the objectives of an organization can be classified as follows : a) At the level of the environment, where the organization receives a constant input of products, energy and information ; b) At the organizational level, which is the system to which a person has to adapt in order to achieve the objectives demanded by the organization, thus March is a forerunner of systems theory and c) At the individual level, you must be concerned about the interests of the workers (Rodríguez, 2016).

Since the organization is a coalition of interests where the objectives are formulated through negotiation, since the organization satisfies multiple objectives, in addition, you can modify the objectives through experience, fulfilling the objectives gradually, having freedom to organize, and in this way the coalition is managed.

The organizations have different objectives, are oriented to the diversity of themes, and respond to various specific needs, which explain their reason for being such as : Social : People need to relate to each other to survive, seeking social satisfactions, which social organizations are capable of providing; Materials : Human beings need to satisfy needs in relation to shelter, shelter and protection, therefore, they organize with other people to get it ; and synergistic effect : In other words, the joint effort to achieve common objectives has as a consequence a multiplier effect, which in turn guarantees a permanent spiral of organization and commitment.

Some work areas that remain pending to strengthen the chosen strategy are: The valorization of human work, the increase in productivity and the satisfaction of the needs of workers and their families. Trust in workers and their families is important, because if they are in good condition in every way, then their motivation will be to work properly and constantly, which will clearly provide a good work environment.

Continuous, permanent and responsible effort of the productive factors. Here we are guided by the legal system inside and outside the country that is completely typified, what is provided within the contract multiple provisions that the persons concerned this agree. Revaluation of human work as a fundamental element in the company to achieve levels of productivity and competitiveness. As a company we do not want to expose people who are no longer a fundamental part of the fundamental part of the company individually, in general it is necessary to revalue each one of them.

The training of workers and entrepreneurs as a permanent and systematic process throughout their active lives. We also find that in the Federal Labor Law in the capitulation of people before and during work, therefore it is something fundamental for both the worker and the company.

Stimulate the creation of jobs and the preservation of existing ones. We observe the situation of the country in terms of the lack of work and we focus on providing work according to the needs that we also have, as well as motivating existing workers to continue with it.

Generate a national culture of productivity and quality.

As a company we see it as a great opportunity and as a country as well. Investment in human capital and a more efficient allocation of productive resources are the essential factors to increase the productivity and competitiveness of the Mexican economy. Recognition of the importance of education and training to introduce a change in attitudes and behaviors those promote the creation of a New Culture. Production processes not only require compatible point equipment and technology, but also new forms of management, organization and training for productive work.

Most companies do their best to find the human capital needed to run a business efficiently by using temporary employees. Others consider being very assertive in this selection by improving their recruiting techniques. But obviously this is not the solution. Considered one of the factors that considerably reduce the productivity of an organization, staff turnover is conceptualized as "The fluctuation of personnel between an organization and its environment, that is, the exchange of people between the organization and the environment, is defined by the volume of people who enter and leave the organization" (Chase, 2018)

If an observation is made, it can be considered that organizations are composed at the same time by individuals, capable of forming groups and these within their dynamism form what is known as an organization, therefore, human behavior in the organization is an issue that is present at three levels: individual, group and organizational; Despite being different, they are continuously related to each other, thus influencing in an impressive way the system known as an organization. Organizations, despite sometimes not being recognized in a social environment, they should take on importance since they are a social system that leads to meeting individual and group needs, for this it must be understood that there is an ideological understanding according to the system to which each individual belongs, since it will be the way in which he will behave according to the interests or objectives that the organization requires.

The relationship between productivity and human resources is vital in an organization, for this reason, it is emphasized that the success of an organization rests on “the people”, that is, the members of the company, since they are the ones who contribute to the productivity of the organization.

The national Autonomous University of Mexico (2018) mentions that “Productivity is the effective use of innovation and resources to increase the aggregate value of products and services” however, it is important to note that the productivity of a company also maintains a close link with its competitiveness.

“Competitiveness is not a ‘stage’ to be reached, but a continuous process of joint efforts towards the acquisition of distinguishable attributes in which the results are obtained in the long term” (UNAM, 2018). That is, productivity is a measure of competitiveness, and a company is competitive on the basis of its location and resources, among other aspects, human resources can be assumed as a factor of competitive advantage, which, in turn, it is a factor of productivity, from the above the importance of a motivated, trained and stable human resource. Productivity is a measure of the degree to which resources are put to good use, highlighting the human resource. The human resource is important for productivity; competent employees with a positive attitude are a decisive factor in increasing the competitiveness of your company (OIT, 2016, p.6).

The above described, allows to assert that the productivity of a company is linked to different factors, however, the stability of human resources is one of its key elements, preventing harmful actions such as staff turnover, which affects the productivity of the company, reducing production actions such as sales. All this highlights how complex decisions to establish adequate low-cost strategies entail, since it is necessary to evaluate many factors of competitiveness. The provision of services, renovation, technology and human resources allow a balance with the financial situation, seeking efficiency and effectiveness. Human talent is stimulated, creating a sense of belonging, participation and commitment, generating greater personal and group development, by adequately recognizing performances.

Therefore, the company should prioritize employees by developing a structured training program with simple bases, but practices that are very punctual in their subjects and in the way of applying them, modern time do not allow long trial periods that do not significantly impact the assets of the company.

Thus, it is of great relevance that the real needs are identified so that the expected objectives are met, and it is not merely a procedure to comply with a process, but rather it really covers the needs of the company and directly influences employee satisfaction and your daily behavior.

This work defines the low-cost strategies of the value chain from which, as could be observed, everything is proposed for a greater degree of efficiency, reduce costs and better customer service and above all the increase in value of the company.

(Ucha, 2015) As a formula for business growth, it encompasses a quantity of important and well-structured information, which will drive us to benefit the company according to our needs, where it provides the following: Increase earnings per share, achieve operational or financial synergies between the companies involved, to maximize the value of shares, increase the growth or power of companies, exacerbating the difference in objectives between managers and shareholders, Financial synergies, that is, combining a company with excess cash but few growth opportunities and one with high-yield projects but cash constraints. Productive synergies: Allows growth in the current market or penetration into new ones.

On the other hand, the risks are many, for example:

The motivations for economic situations, it is not necessary to explicitly encourage the merger or acquisition, therefore, the abuse of a dominant position must be avoided, for example, national antitrust. Companies that are not listed on the Stock Exchange find it difficult for large companies to get involved in these processes. The logistics that the company poses is aware of various situations to which they are exposed, however it is essential to think about each and every one of them to be prepared or have an idea of their management.



Therefore, the current situation characterized by increasing globalization and technological changes introduced in the business environment requires every company to compete, what should be the permanent goal of managers responsible for organizations since such competitiveness drives both the consolidation of markets and restructuring in organizations in order to be able to reach levels of efficiency that allow them to face their rivals, so logistics is generally interpreted as the brain of the company both internally and externally, if a conflict is not managed from logistics, it will later increase, it is the main basis of a good operation

### **Conclusion**

The auto parts sector is part of a global value chain, characterized by global integration, those that are part of the actors in this chain are the leading firms and global suppliers of parts and components. The automotive chain of auto parts is made up of three main characteristics is made up of a group of companies that supply inputs, the second characteristic is made up of companies whose function is to transform the inputs spread for the elaboration of parts and systems. And finally, they are the companies in charge of the activities of assembly and finishing of auto parts. On the other hand, the market is made up of wholesalers and specialized workshops in charge of transforming parts according to the needs of local companies. The company has had to locate markets according to its style of marketing and sales objectives. The competitive advantages in the sector, the strong support from sales and investment potential, the risks may be the prices of raw materials and local supply, as well as the increase in costs.

Through the SWOT analysis, it was possible to determine the strategic problems that are most relevant and that can become one of its strengths in monitoring it. The company has had to locate markets according to its style of marketing and sales objectives. The competitive advantages in the sector, the strong support from sales and investment potential, risks may be raw material process and local supply, as well as increased costs. In the implementation of the strategies, the company saw the need to support workers in training in the different technological tools and helped to have a greater overview of the skills of its employees.

And making and trying to maintain human talent since the market is increasingly more competitive, and above all that the staff have these technological skills and analytical skills. And thus comply with its focus on the strategy of the axes such as the product, brand, customer satisfaction and efficiency of its operations.

A competitive company is one that consciously makes a constant effort properly planned and programmed, in order to create internal and external conditions, which allow raising the levels of preference of its products or services by the members, of its or its markets, and/or raise barriers that prevent their market positions from being eroded by competitors. The existence and subsistence of companies depends on the market share they manage to capture and consolidate.

It is worth mentioning that in any competitive strategy there are drawbacks: consumer preferences change, there could be an inability to understand what customers need or want in a product, a possible focus on differentiating product features, but unimportantly, competitors could imitate the product attributes at a lower cost, differentiation efforts may not be well received by consumers, spending too much on differentiating a product, only to not be able to recover the investment in order to carry out this analysis, the flow chart of the inbound logistics process was made in the same way:

These processes relate to any internal logistics, such as storing, receiving, and distributing parts or materials. Suppliers are often a key factor in the warehouse department's inbound logistics processes, as shown in Figure 1.

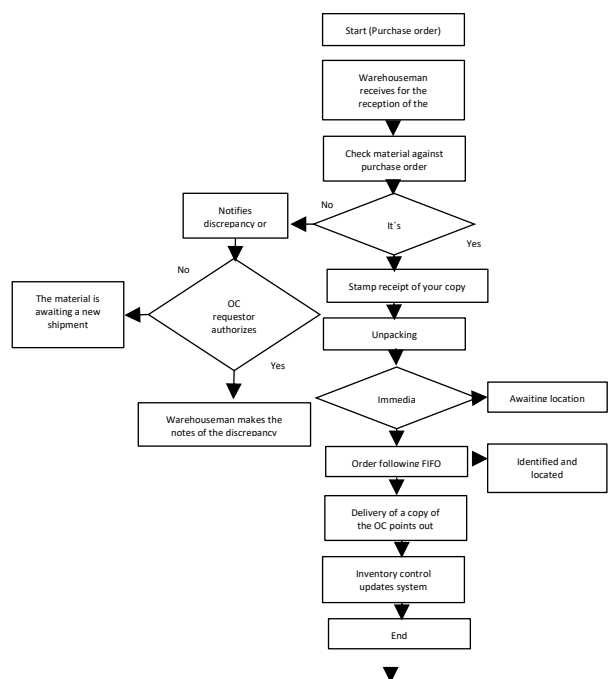


Figure 1. Warehouse Flow Chart. Source: Own elaboration

It is important to consider that in the analysis of strategies, consider all the activities that add value to the product. In this case, the process of the value chain of inventory control and audits was analyzed, where it is shown in figure 2.

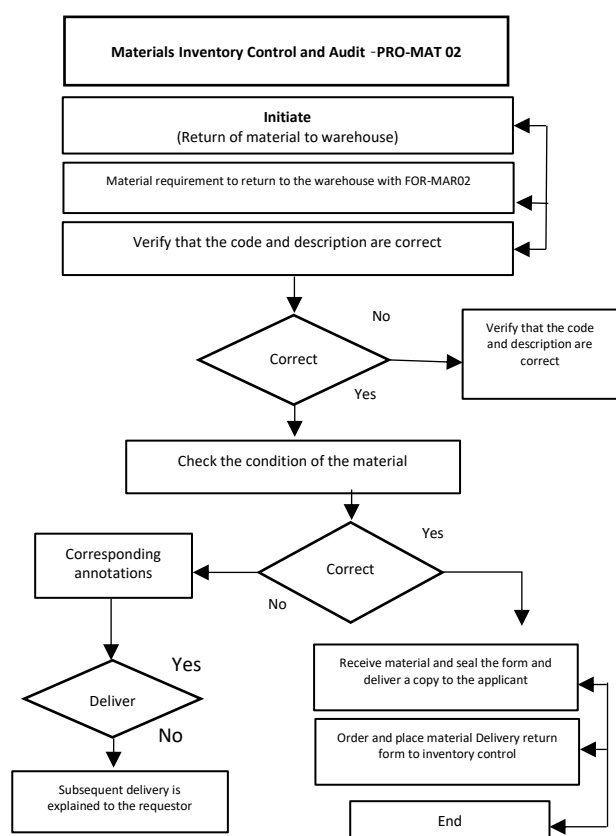


Figure 2 Flowchart inventory control and audit Source: Own elaboration

Outbound logistics: These processes include steps that supply the product to the customer from your company. Sometimes these involve external shipping connections, while for other companies, outbound logistics is an internal procedure.

The automotive component manufacturing company has a transportation method and a route plan and alternative transportation methods and in the event that a transportation route is interrupted (product delivery route to customers and material supply route to the company itself). It is necessary to consider making agreements with the corporate-client if it is necessary for the distribution and they evaluate the business continuity capacity of suppliers in the same way, considering the continuous evaluation monitoring of the business capacity of important suppliers so that recovery strategies can be implemented in the same way if necessary.

The automotive component manufacturing company has a strict responsibility to supply all its products to customers. Land route and air route in case of an emergency.

Briefly I would like to mention that if this were implemented in the development of people from an initial education, later when they develop in daily life and their work, the relationships would be different, even positive aspects would be noticed and transmitted to the new generations. Sometimes it is necessary to be individualistic but teamwork gives us many values. But I think that it is necessary to strengthen and propose in its policy that it is necessary to be consistent in its goals of zero customer complaints and strengthen communication and participation of the employees of the organization for these results to occur must be integrated into its strategy design model, considering it in its strategic plan.

The company wants to maintain a feeling of understanding with employees that is as high as the standards of civil respect that they have established with customers through their Products/Services and for this reason it is suggested to be alert and follow up on the following question What strategies does the company need to be implementing or innovating so that it can be competitively positioned in the market?

It is important to consider that strategic decisions require reflections about changes, such as maximizing profits against increasing the effectiveness of their actions and consider that there are factors that can affect decisions, and a differentiation strategy allows companies to reduce price competition in the market and if the company creates a competitive advantage in the market due to its unique product, it can charge higher prices.

One of the problems that could be detected in this research corresponds to the fact that many structures based on the direction and control of the company are giving a participatory approach to teamwork. Teamwork is the key to the success of any organization. The teams are considered as continuous improvements in companies, they manage and improve the company's processes, in addition to allowing all employees to be an active part of management and improvement activities. And that not all employees know the internal logistics of the company, which is a functional key for the organization.

Since, the organization is a coalition of interests where the objectives are formulated through negotiation. The problems that may arise are damaged or defective machinery or equipment inadequate of misapplied procedures, lines that continue to work despite the occurrence of a problem, human error, poor communication, redundant and unnecessary processes, customer specifications are not understood. A product is made that is not required by the customer, idle machines continue to work, the production push system is used, the production task time is not established, there is no Kanban system, there is no defined sales forecast, there are no defined stock levels, produce without a sales order, producer if there is no advance payment, in terms of inventory, various problems can occur such as programming errors, fluctuations in customer demand, providing inefficient operation problems, poor planning, there are no optimal inventory levels, undefined reorder point, product quality failures, there are no Kan ban levels in process, in terms of movement, the work sequence may not be well defined, messy work areas, layout not defined by process, operations do not follow the one piece flow or the materials are not available to the operator, in the same way defects or unnecessary movements may occur due to transportation.

The logistics posed by the company is aware of various situations to which they are exposed, however it is essential to think about each and every one of them to be prepared or have an idea of their handling. Therefore, the current situation characterized by increasing globalization and technological changes introduced in the business environment requires every company to compete, which should be the permanent goal of the managers responsible for organizations since this competitiveness drives both the consolidation of markets and restructuring in organizations in order to achieve levels of efficiency that allow them to face their rivals so that the Logistics It is generally interpreted as the brain of the company both internally and externally, if a conflict is not handled from logistics subsequently increase, it is the main basis of a good functioning.

### Acknowledgements

The work is performed in a manufacturing company of automotive components, but does not require financing.

### Reference

- Alvarado, H. (January 2017). *A scale for measuring consumer perceptions of corporate social responsibility following the sustainable development paradigm*. Obtenido de A scale for measuring consumer perceptions of corporate social responsibility following the sustainable development paradigm.: [https://www.researchgate.net/publication/275258695\\_A\\_Scale\\_for\\_Measuring\\_Consumer\\_Percptions\\_of\\_Corporate\\_Social\\_Responsibility\\_Following\\_the\\_Sustainable\\_Development\\_Paradigm](https://www.researchgate.net/publication/275258695_A_Scale_for_Measuring_Consumer_Percptions_of_Corporate_Social_Responsibility_Following_the_Sustainable_Development_Paradigm)
- Arroyo, F. (June 30, 2020). *The Industrial Design process as a Company Management Tool*. Obtenido de The Industrial Design process as a Company Management Tool: <https://revistadigital.uce.edu.ec/index.php/INGENIO/article/view/2398>
- Avila, E. (July 17, 2021). *Strategic innovation as a predictor of organizational innovation in higher education institutions in México*. Retrieved from <https://www.ipn.mx/assets/files/innovacion/docs/Innovacion-Educativa-69-of-higher-education-institutions-in-mexico.pdf>

<https://www.ipn.mx/assets/files/innovacion/docs/Innovacion-Educativa-69-of-higher-education-ins-titutions-in-mexico.pdf>

Baena, A. (July 17, 2021). *Introduction to strategic planning*. Retrieved from [http://www.xprt-training-planificacion\\_strategic\\_planning/introduction](http://www.xprt-training-planificacion_strategic_planning/introduction): [http://www.xprt-training-planificacion\\_strategic\\_planning/introduction](http://www.xprt-training-planificacion_strategic_planning/introduction)

Balleza, A. (2017). *Importance of the Value Chain. XVIII International congress of research in administrative sciences*. Retrieved from Importance of the Value Chain. XVIII International congress of research in administrative sciences: <http://acacia.org.mx/busqueda/pdf/C305.pdf>

Ceballos, G. (12 / 01/ 2015). *The value chain as a guiding thread for research in tourist destinations*. Obtenido de The value chain as a guiding thread for research in tourist destinations:

<https://pure.ups.edu.ec/es/publications/the-value-chain-as-a-driving-thread-of-research-at-tourist-destin>

Chandler, J. &. (10/16/1962). *Strategy and structure: Chapters in the history of the industrial enterprise*. Retrieved from Strategy and structure: Chapters in the history of the industrial enterprise.: <https://doi.org/10.2307/1847244>

Chase, J. A. (2018). *Administración de la producción y Operación*. México: McGrawHill.

Chiavenato. (2006). Introduction to the general theory of administration 7th edition idalberto chiavenato. En Chiavenato, *Introduction to the general theory of administration 7th edition idalberto chiavenato* (pág. 561). México: Mc. Graw- Hill.

Contreras. (2013). *Contreras Sierra, E. Contreras Sierra, E.R. (2013). The concept of strategy as the foundation of strategic planning. Thought & Management, (35), R. (2013). The concept of strategy as the foundation of strategic planning. Thought & Management, (35), 152-181*. Obtenido de Contreras Sierra, E.R. (2013). The concept of strategy as the foundation of strategic planning. Thought & Management, (35), 152-181: [http://www.scielo.org.co/scielo.php?script=sci\\_arttext&pid=s1657-62762013000200007](http://www.scielo.org.co/scielo.php?script=sci_arttext&pid=s1657-62762013000200007)

Curto. (10/20/2017). *Introduction to Business Intelligence*. Obtenido de Introduction to Business Intelligence: [https://www.academia.edu/33021474/Introducci%C3%B3n\\_al\\_Business\\_Intelligence](https://www.academia.edu/33021474/Introducci%C3%B3n_al_Business_Intelligence)

Flores, D. (10/22/2017). *Efectos de la participación empresarial en la estructura e innovación estratégica de la organización para la competitividad y permanencia en el mercado, Arequipa 2016*. Obtenido de Efectos de la participación empresarial en la estructura e innovación estratégica de la organización para la competitividad y permanencia en el mercado, Arequipa 2016: <http://190.119.145.154/bitstream/handle/UNSA/4557/FIMdiflja.pdf?sequence=1&isAllowed=y>

Freed, D. (2002). strategic management concepts. En D. Freed, *strategic management concepts* (pág. 336). México: Prentice Hall.

Garcia, N. (10/29/2015). *Business financial strategies*. Retrieved from Business financial strategies: <https://elibro.net/es/lc/utel/titulos/39396>

Gómez. (12/26/2015). *Marketing Management 5ed*. Retrieved from Marketing Management 5ed.: [https://www.academia.edu/8750847/Administraci%C3%B3n\\_de\\_Marketing\\_5ta\\_Edicion](https://www.academia.edu/8750847/Administraci%C3%B3n_de_Marketing_5ta_Edicion)

Hernandez, S. (2014). *Metodología de Investigación. Interamericana Editores*. Obtenido de Metodología de Investigación. Interamericana Editores: <http://observatorio.epacartagena.gov.co/wp-content/uploads/2017/08/metodologia-de-la-investigacion-sexta-edicion.compressed.pdf>

Lavado, A. (07/17/2021). The two-factor theory of customer satisfaction. European Research on Business Management and Economics. En A. y. Carmona Lavado, *Carmona Lavado, A. y Leal Millán, A.G.* (págs. 53-80.). México: Patria. Obtenido de The theory of two factors in customer satisfaction.

- Leiro, O. (06/05/2020). *Design and modeling of a maintenance service order process in the NGES division of the company Nalco de Colombia Ltda., using the BPM management model*. Retrieved from Design and modeling of a maintenance service order process in the NGES division of the company Nalco de Colombia Ltda., using the BPM management model: <http://hdl.handle.net/10584/9266>
- López. (2018). Smart and sustainable city: towards an inclusive innovation model. *scielo.org*, 7-13.
- Millan. (2020). *Practical manual of strategic planning*. Madrid: Diaz de Santos. Obtenido de Practical manual of strategic planning: [https://books.google.es/books?hl=es&lr=&id=kGzWDwAAQBAJ&oi=fnd&pg=PR9&dq=Gonzalez+Millan++manual+de+estrategias&ots=aBh4hgeLrb&sig=4Mi\\_CT0dS0g7znM-MLDeNfJzMwk#v=onepage&q=Gonzalez%20Millan%20%20manual%20de%20estrategias&f=false](https://books.google.es/books?hl=es&lr=&id=kGzWDwAAQBAJ&oi=fnd&pg=PR9&dq=Gonzalez+Millan++manual+de+estrategias&ots=aBh4hgeLrb&sig=4Mi_CT0dS0g7znM-MLDeNfJzMwk#v=onepage&q=Gonzalez%20Millan%20%20manual%20de%20estrategias&f=false)
- Muñoz, G. (09/01/2018). *Trading strategies*. Obtenido de Trading strategies: <https://elibro.net/es/lc/utel/titulos/40541>
- OIT. (2016, p.6). *A new ILO study highlights labor trends around the world: productivity is rising in the United States and Europe's ability to create jobs is improving*. Obtenido de UA new ILO study highlights labor trends around the world: productivity is rising in the United States and Europe's ability to create jobs is improving.: [https://www.ilo.org/global/publications/world-of-work-magazine/articles/WCMS\\_081396/lang--es/index.htm](https://www.ilo.org/global/publications/world-of-work-magazine/articles/WCMS_081396/lang--es/index.htm)
- Ortiz, J. F. (07/18/2019). *Value chain for gourmet restaurants: analysis of the value chain of the purchasing process based on the experience of the Lombo Grill House restaurant in Girardot*. Obtenido de Value chain for gourmet restaurants: analysis of the value chain of the purchasing process based on the experience of the Lombo Grill House restaurant in Girardot: <http://repository.unipiloto.edu.co/handle/20.500.12277/6492>
- Padilla, R. (10/2016). *Manual for strengthening value chains*. Obtenido de Manual for strengthening value chains.: <https://www.cepal.org/es/publicaciones/40662-manual-fortalecimiento-cadenas-valor>
- Rodríguez, D. (2016). *Factores que condicionan la satisfacción cliente en las empresas de TI*. Monterrey: ITEMS.
- Téllez. (2019). Strategic Innovation. *Militar University of New Granada*, 12-20. Retrieved from Strategic Innovation: <https://repository.unimilitar.edu.co/handle/10654/21285>
- Thompson, F. A. (07/17/2021). *Strategic Management*. Retrieved from Strategic Management: [https://www.academia.edu/28414430/Administraci%C3%B3n\\_Estrat%C3%A9gica\\_Thompson\\_18va](https://www.academia.edu/28414430/Administraci%C3%B3n_Estrat%C3%A9gica_Thompson_18va)
- Ucha, A. P. (08/05/2015). *mergers and acquisitions of companies*. Obtenido de mergers and acquisitions of companies: <https://economipedia.com/definiciones/fusiones-y-adquisiciones-de-empresas-ma.html>
- UNAM. (2018). *Outsourcing in Mexico*. México: UNAM.
- Vives, M. T. (2019). Collaborative economy and technological innovation in urban passenger transport in passenger cars. *IDP: Revista de Internet, Derecho y Política* 28 (2019)., 28.
- Vo., E. (07/27/2020). *Introduction to Strategic Planning*. Obtenido de Introduction to Strategic Planning.: <https://www.coursehero.com/file/98452704/What-Is-Strategic-Planningpdf/>