

Support to MSME in a municipality of Puebla, Mexico**Apoyo a la MiPyME en un municipio de Puebla, México**

IRIGOYEN-ARROYO, Luis Ernesto†*

*Tecnológico Nacional de México, campus San Martín Texmelucan Puebla, División de Licenciatura en Contaduría, Mexico.*ID 1st Author: *Luis Ernesto, Irigoyen-Arroyo* / **ORC ID:** 0000-0002-2037-1621, **Researcher ID Thomson:** ABC-1173-2021, **CVU CONACYT ID:** 472901**DOI:** 10.35429/JED.2022.28.9.24.29

Received: January 25, 2022; Accepted: June 30, 2022

Abstract

This article arises from a research project that seeks to respond to the needs of micro and small entrepreneurs in the region where the educational institution is located, in which various activities are carried out in favor of the region where it is located. The objective of the first stage is to know the real situation of the Micro and small companies in the region in order to offer actions that help improve their areas of opportunity. The Methodology used is based on the scientific method, and with a mixed cut, using the questionnaire applied with micro and small entrepreneurs as a research instrument. As a contribution from the institution, it has been working to rescue those economic sectors that have been affected as a result of the pandemic caused by the virus that came from China and that we are still suffering its consequences. Various activities aligned to help those who invest in favor of their family and the region.

Diagnosis, Entrepreneurs, MSMEs**Resumen**

El presente artículo surge de un proyecto de investigación que busca responder a las necesidades de micro y pequeños empresarios en la región donde se encuentra localizada la Institución educativa en la cual se gestan diversas actividades a favor de la región donde se encuentra ubicada. El objetivo de la primera etapa es conocer la situación real que guardan las Micro y pequeñas empresas de la región para poder ofrecer acciones que ayuden a mejorar sus áreas de oportunidad. La Metodología empleada es a partir del método científico, y con un corte mixto, usando como instrumento de investigación el cuestionario aplicado con micro y pequeños empresarios. Como contribución de parte de la institución, se ha estado trabajando para rescatar aquellos sectores económicos que han sido afectados a raíz de la pandemia causada por el virus que llego de China y que aún sufrimos sus consecuencias. Diversas actividades alineadas para coadyuvar a aquellos que invierten en favor de su familia y de la región.

Diagnóstico, Empresarios, MiPyMEs

Citation: IRIGOYEN-ARROYO, Luis Ernesto. Support to MSME in a municipality of Puebla, Mexico. Journal Economic Development. 2022. 9-28:24-29.

† Contributing researcher as first author.

Introduction

As of December 2019, humanity had to change its habits, due to a virus that spread unexpectedly, resulting in thousands of deaths across the planet; it is said that it had to evolve technologically for approximately 10 years (Rodriguez, 2021). As a result, mankind had to change the dynamics of its activities, therefore, the course of many businesses was affected, many companies had to close their doors, because they could not keep up due to the drop in their income. On the other hand, those who had business vision, based on the phrase that states "when the sea is troubled, the fishermen profit", because they took advantage of the conditions caused by the pandemic and thus sought to meet the demands for goods and services (for example, with masks and antibacterial gel, to home delivery services) growing exponentially.

Through this research we present the diagnosis of what has happened in the region of San Martín Texmelucan Puebla, which is characterized as an area with a lot of trade (the largest clothing market in Latin America, to contextualize); this is dimensioned taking as context the pandemic caused by the SARS-CoV-19 virus, there was a lot of affectation. The Tecnológico Nacional de México, San Martín campus, aware of this reality, since it began to open (gradually) the activities, offered a program of economic reactivation, so that companies that required support, approached the campus to receive accompaniment and support in their activities through teachers who carried out technical stays and students who through professional residence or development of integrative project, gave attention to the needs that correspond to the academic profile of the participants. This was done after interviews were conducted with the businessmen to find out in which areas they had their main needs and to be able to meet them.

Based on the results of previous research carried out and published through the Latin American Studies Network in Administration and Business (RELAYN) of the Ibero-American Network of Research Academies (RedIBAI) as well as the National Association of Faculties and Schools of Accounting and Administration (ANFECA), we have a perspective of the problems presented in the region's commerce, which is a recurrent situation in Latin America (according to the results published by RELAYN, and which are not very different from what is found in this region).

In order to set the context of the study, this article is divided into 4 sections:

1. Contextualization
2. Methodology
3. Diagnosis
4. Conclusions

1. Contextualization of the study

In Mexico, as in other countries, micro, small and medium-sized enterprises (MSMEs) are a fundamental part of its economic structure, contributing to the generation of the country's wealth and employment. Micro, small and medium-sized companies represent the largest number of established companies, and large companies represent a smaller proportion of the number of established companies.

The criteria for classifying companies by size are shown in Table 1.

Company type	Number of workers	Business Volume
Microenterprise	Less than 10 workers	Less than 4 million pesos
Small company	Less than 50 workers	Less than 20 million pesos
Medium Company	Less than 250 workers	Less than 100 million pesos
Big company	More than 250 workers	Greater than 100 million pesos.

Table 1 Classification by size of companies

Source: Prepared by the authors, with data from the Ministry of Economy

MSMEs are particularly important for national economies, not only because of their contributions to the production and distribution of goods and services, but also because of their flexibility to adapt to technological changes and their great potential for job creation. They represent an excellent means to promote economic development and a better distribution of wealth.

The company, as an economic unit transforming goods and services, is defined as: "the organism formed by people, material goods, aspirations and common achievements to give satisfaction to its clientele" (Romero, 2017). García and Casanueva (2012), define the company as an "entity that, through the organization of human, material, technical and financial elements provides goods or services in exchange for a price that allows the replenishment of the resources used and the achievement of certain objectives".

Lazaro (2021), cites Orueta, who presents the percentage of companies, by size, in Latin America, as shown in Table 2.

Country	Percentage
Argentina	98.08
Bolivia	98.00
Brasil	98.10
Chile	98.40
Colombia	96.00
Ecuador	99.52
El Salvador	99.30
México	99.80
Nicaragua	99.34
Paraguay	99.00
Perú	99.50
Portugal	99.90
R. Dominicana	97.70
Uruguay	99.45

Table 2 Percentage of micro, small and medium-sized companies

Source: Lazaro, R. (2021, p. 743)

Mayett (2022), takes information from INEGI and the OECD, where it is highlighted that MSMEs represent about 99.5% of companies in Latin America and employ approximately 60% of formal employment, their contribution to the Gross Domestic Product (GDP) is 25%. Thus, the importance of MSMEs is remarkable.

San Martin Texmelucan de Labastida, is a city located in the west central zone of Puebla, is the municipal seat of San Martin Texmelucan, 32 kilometers from the city of Puebla, 95 km from Mexico City and 23 km from the city of Tlaxcala de Xicohtécatl. It has an area of 82.67 km. The municipal boundaries are: Ixtacuixtla, Tlaxcala to the north and northwest; to the east and south Huejotzingo, to the southwest Chiantzingo, to the west San Salvador el Verde with whom it also borders to the northwest. (Aguilar 2021).

For the present work, micro and small businesses in the commercial sector of the municipality of San Martin Texmelucan are considered as participants in the study, which according to the SIEM consist of 1127 registered companies, of which 45% are commercial, 30% are services and the rest are industrial.

The Inter-American Development Bank (IDB, 2017), reports that in Latin America, this business sector has been characterized by its high level of informality, high 79.8% mortality rate and low internationalization, aspects that together with their poor financial culture and difficulties in accessing bank credit make them vulnerable organizations because they lack adequate conditions that allow them to innovate, operate and grow.

Among the current requirements for companies is innovation, which has been evolving and becoming more precise in its types. The types of innovation where there is greater agreement by the scholars of the subject are: innovation in the product, process and market. Innovation is a requirement to be met by companies if they want to remain in the market (Muñoz, 2022).

Methodology

In order to determine what has already been generated on the subject, as well as the formative process, a systematic review of documents was carried out through the scientific databases: Scielo, Science Direct, RedAlcy and Google Scholar.

The activities that were developed, according to the scientific method, observed in Figure 2, show three moments of activity, in the first one, preliminary activities were carried out such as defining the scope; in the second one, the development of the work itself, to close in the third moment with the interpretation of the information and drawing the conclusions.

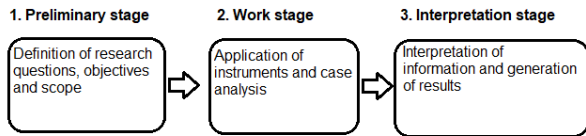


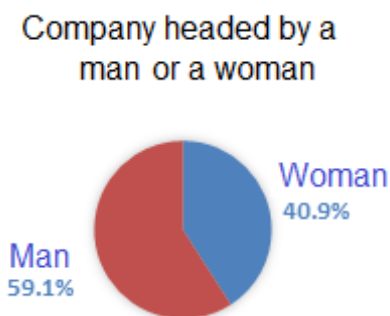
Figure 2 Stages of the methodology developed
Source: Own elaboration

An instrument was also constructed and applied to determine the current situation of those involved; technological tools such as forms were used for its application, which also generated graphs and simplified the statistical treatment of the information.

For the development of the research, the project was presented in the call issued by the Tecnológico Nacional de México, which, due to budgetary limitations, could not be supported, in spite of having obtained a positive result; therefore, for the development and execution of the research, the resources were internal to the Institute.

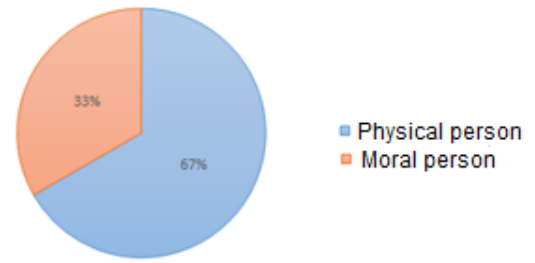
Results of the diagnosis

Figure 1 shows that the majority of those who participated in the survey in these companies are led by men (59.1%), while 40.9% are led by women.



Graphic 1 Leadership in companies
Source: Own elaboration

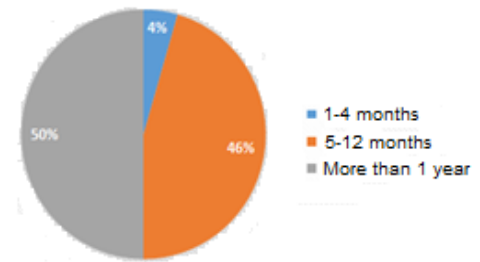
Constitution of the company



Graphic 2 Incorporation of companies
Source: Own elaboration

Graphic 2 shows that of the total number of companies in the study, 66.7% stated that they were incorporated as a legal entity, while the remaining 33.3% were individuals with business activities. Another indicator that is very important, because it speaks of the stability that the company has in relation to personnel, because it reflects turnover, is shown in Graph 3.

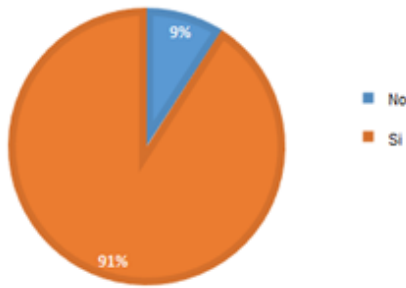
Frequency of change of workers



Graphic 3 Staff turnover
Source: Own elaboration

A healthy company is characterized by the stability of its personnel, because in this way it can develop together with its employees (organizational development). It can be seen that 50% of the respondents have a high turnover, because their personnel remains from 1 to 4 months (4%) or from 5 months to 1 year (46%); and the remaining 50% have more than 1 year of personnel. This point deserves special attention, because high turnover is a sign of bad organizational climate and with it the company can stagnate or go bankrupt.

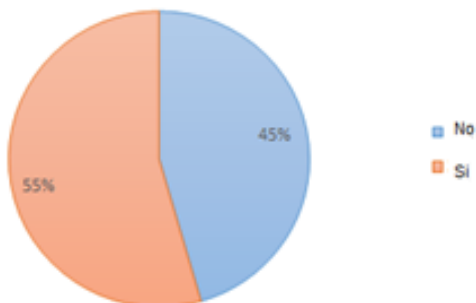
Cost control



Graphic 4 Expense control
Source: Own elaboration

Graphic 4 shows the result of the question, where it was asked whether the company has a written record of how much it pays each month for rent, electricity, equipment, maintenance, transportation, advertising and other indirect manufacturing expenses; here theoretically everyone should answer affirmatively, however, 9% responded that they do not have these controls, which is delicate, since this is valuable information for making future decisions, and without information to make them, they run the risk of taking improper actions.

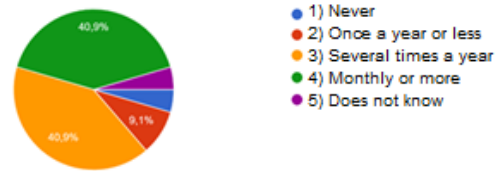
Staff benefits



Graphic 5 Employee benefits
Source: own elaboration

An important aspect for the growth of the company are the obligations towards the workers, through the benefits, it is noteworthy that 45% of those surveyed do not offer the benefits of law, while 55% do. This is very important data, because if the authorities come to visit them, they will be in trouble, because for fines and surcharges companies can close their businesses.

Goal review frequency for improvement



Graphic 6 Performance evaluation
Source: Own elaboration

In engineering areas it is said: "what is not measured, is not controlled", that is why it is important to perform performance evaluations, in graphic 6, we can see the actions taken in this sense by the companies studied.

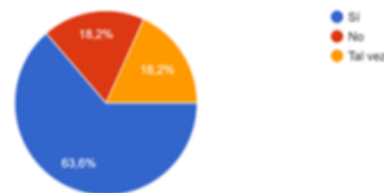
Setting goals related to sales



Graphic 7 Setting annual goals
Source: Own elaboration

A successful company is characterized by having clear goals, so we investigated whether the companies under study at least have annual goals, finding that 95.5% do, and it is noteworthy that 4.5% do not carry them out; here it would be desirable for 100% to do so.

Do you know your annual income and expenses?



Graphic 8 Annual income and expenses
Source: Own elaboration

In the healthy operation of the companies, an important factor is the knowledge of their annual income and expenses. It is noteworthy that 36.4 percent do not know how their results have been, 18.2 percent directly say they do not know and the same percentage says that maybe. This can be seen in Figure 8.

Results

Based on what has been presented in the diagnosis, a letter of invitation is extended to take some courses designed according to the needs found.

Thanks

We are grateful for the facilities granted by the directors of the Institution to be able to develop this work, as well as the participation of students in their thesis development and research credits.

Conclusions

The importance of MSMEs in the Mexican economy plays a fundamental role because they provide income to the national economy, but in order for them to generate this level of income and continue playing a fundamental role, it is necessary that MSMEs have a good level of competition and above all that they are successful so that they can generate more production and higher levels of income, otherwise, the participation they have would be lower and in some cases the competition could take them out of the market and more foreign competition that is inserted in our economy, coupled with economic fluctuations. In order for SMEs to take off and have development and growth, it is necessary that they have the required changes. In the Mexican economy, development is sought, which cannot be achieved if there is no economic growth first, in order to allocate income to economic development, Small and Medium Enterprises are a source of economic contribution to the Gross Domestic Product.

Once the diagnosis has been made, among the proposals to promote MSMEs, there are 2 ways to make improvements; the first is internally to make changes in their ways of operating and managing them, implementing innovations, promotion, etc., as well as generating strategies, associations, among others. There are different problems that companies face, for which some may be causes of failure and that the company is not being efficient in what it does. Among the common problems we have that; many times MSMEs do not plan for the future, since their decisions are short term.

The result of stage 1 of the project, the diagnosis, is presented in the second stage of intervention through consulting and training to find ways to help them improve and overcome the limitations that do not allow the necessary growth.

References

- Aguilar, E. (2021). *Capítulo 50. Financiamiento extrabancario de la micro y pequeña empresa de San Martín Texmelucan, Puebla, México*. En Posada, R. Financiamiento extrabancario de la micro y pequeña empresa Latinoamericana. iQuatro Editores.
- Banco Interamericano de Desarrollo. (2017). *Micro, pequeñas y medianas empresas*. <https://idbinvest.org/es/soluciones/servicios-de-asesoria/micro-pequenas-y-medianas-empresas>
- García, J. y Casanueva, C. (2012). *Prácticas de la Gestión Empresarial*. Mc Graw Hill.
- Lazaro, R. (2021). *Capítulo 51. Financiamiento extrabancario de la micro y pequeña empresa de San Matías Tlalancaleca, Puebla, México*. En Posada, R. Financiamiento extrabancario de la micro y pequeña empresa Latinoamericana. iQuatro Editores.
- Mayett Moreno, Y., Zuluaga Muñoz, W., & Guerrero Cabarcas, M. J. (2022). *Gestión financiera y desempeño en MiPyMes Colombianas y Mexicanas*. Investigación administrativa, 51(130). https://www.scielo.org.mx/scielo.php?script=sci_arttext&pid=S2448-76782022000200006
- Muñoz, M. A. M. V., Méndez, R. M., Muñoz, J. G. S. V., & Flores, M. B. S. (2022). *Innovación en las empresas apoyada en las redes conocimiento*. Horizontes de la Contaduría en las Ciencias Sociales, (16). <https://revistahorizontes.uv.mx/index.php/horizont/article/viewFile/50/93>
- Rodriguez, G. (2021). *Pandemia acelera 10 años el uso de tecnologías digitales*. https://www.dgcs.unam.mx/boletin/bdboletin/2021_419.html
- Romero, R. (2017). *Marketing*. Editora Palmir E.I.R.L.