

Operations management of the MSMEs

Gestión operativa de las MSMEs

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Abstract

This paper refers to a study of micro and small companies belonging to the State of Mexico, whose objective is to study their operations management and identify the main threats and weaknesses they face in a competitive market. In general, MSMEs do not have a formal operations management, functions in the various functional areas are done intuitively, according to the knowledge and experience of the owners of the company or those in charge at that time. This makes it harder to grow and stay in a market as competitive and uncertain as it currently exists.

MSMEs, Operational Management, State of Mexico

Resumen

El presente trabajo, hace referencia a un estudio de las micro y pequeñas empresas pertenecientes al Estado de México, cuyo objetivo es estudiar su gestión operativa e identificar los principales amenazas y debilidades a las que se enfrentan en un mercado competitivo. En general, las MSMEs no tienen una gestión operativa formal, las funciones en las diversas áreas funcionales se hacen intuitivamente, de acuerdo con el conocimiento y experiencia de los dueños de la empresa o de los encargados en ese momento. Esto hace, más difícil su crecimiento y permanencia en un mercado tan competitivo e incierto que existe actualmente.

MSMEs, Gestión Operativa, Estado de México

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Introduction

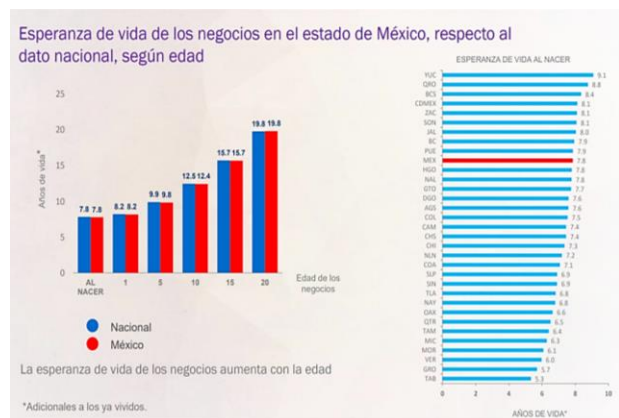
The micro, small and medium enterprises, have a great importance in the economy of the country, not only because they contribute the largest number of units, it also employs the largest number of people; however, they have various external and internal problems to adapt; for its management of operating.

The present work shows the results of questions asked to micro entrepreneurs and small businesses about the management of operating their business.

In the diagnosis, it shows the lack of use of human resources, marketing, production and finance tools. They are entrepreneurs, but with a deficiency in specific knowledge. In addition to the years of operation with respect to the business, ranging from one to five years in the market.

Developing

SMEs represent 97.6% (INEGI, 2014); of the total of the companies, and incorporate a preponderant role within the participation of growth in the economy of our country. At present, micro and small companies are of great importance in industrialized countries, as well as in developing countries since these companies are the creators of jobs. However, there are several obstacles to the growth of MSMEs. In the State of Mexico, these companies have a life expectancy of 7.8 years. (INEGI, 2016). While other states are 5 years old and up to 9 years old, as is the case of the state of Tabasco with the highest value.



Graphic 1 Life expectancy of business in the State of Mexico

Source: INEGI, (2016)

During the first 5 years of life a great majority dies, and at 20 years, only 15% survive in the entity. Those of the manufacturing sector have the highest life expectancy at the national level as in the State of Mexico.

In this scheme in which MSMEs have limited life cycles, they also attend to factors in their microenvironment. That is, in the management of the business and the different areas in which it operates, they need a change that allows them to improve and generate value to all their processes.

The word Management is a set of decisions and actions that are carried out to achieve a previously established objective (Beltrán, referred to by Durango, 2014).

Focused on organizations, Operational Management implies the analysis of these actions in the different services or processes that companies carry out in accordance with what is established by higher hierarchical levels.

Arnoletto & Díaz. (2009). They point out that, from the point of view of operational management, the quantity or quality of activities can be increased; reduce production costs, increase the availability of innovation response, among others.

Bancomext (s.f.) also comments that the productivity and competitiveness of micro, small and medium enterprises require financing and training programs to improve their growth perspectives. Therefore, the present work, seeks to know the operational management of various micro and small companies, in order to seek their improvement.

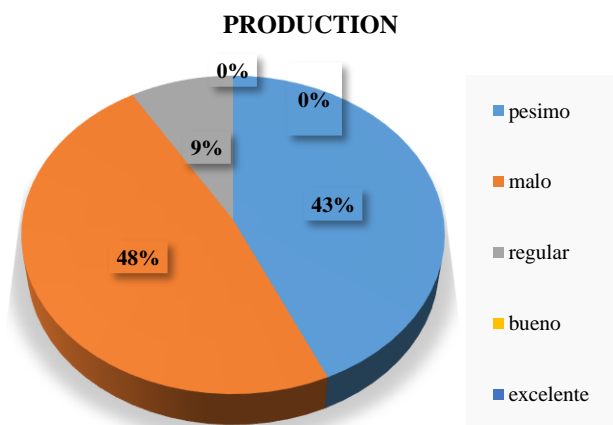
Methodology to be developed

The present work is part of a study of twenty-five micro and small companies formally established, of different turns: twelve manufacturing, three commercial and ten services, according to the size and number of employees twenty are micro-enterprises and five are pe - queñas, 40% of them have five years in the market, 25% four years and the rest of one to three years; a questionnaire was applied to the owner or manager who knows the operation of the operational management.

The questionnaire used for the collection of the information consists of twenty questions and five demographic information, which included questions of closed answers, related to the product, price, distribution, and three functional areas of the companies: Personnel Administration, Market Technology Management and Financial Administration.

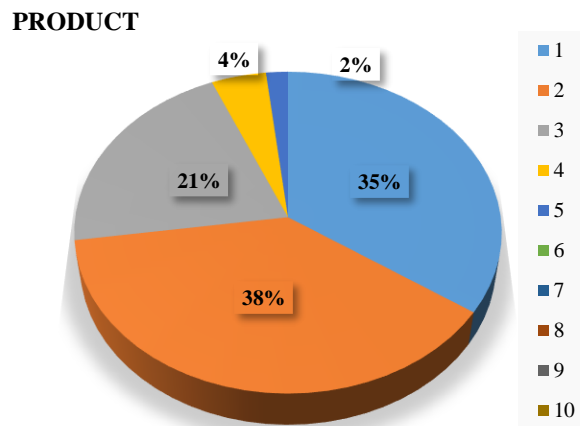
Results

The companies surveyed were of different turns, however, the answers coincided mostly regardless of the type. First, they were asked about the phases of the production process, equipment and machinery, their value chain and the time to produce and the service to their customers. 45% declared bad production or service processes and not being clear on how to carry out the realization of their product or how to carry their value chain, in a timely manner.



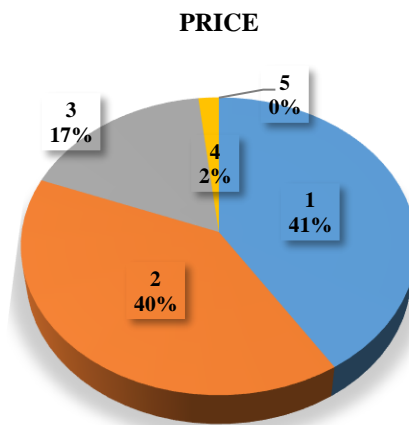
Graphic 2 Production area of the MSME of studio

The MSMEs found in them, do not know how to publicize their product, does not meet the required standards, and have not developed a market study. 35% misqualify their product, since they have no effective strategy for the audience to which it is intended to consume it. There are very few owners of SMEs that meet the established standards and that is what they want to make known, less than 10%.



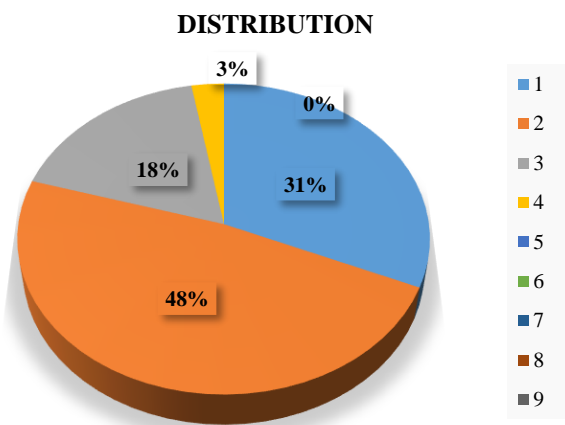
Graphic 3 Product Questions of the MSME study

The price is a very important factor for both companies and the customer, which is why they were asked if their strategies to determine their price are good, if they are prevented for external factors and if they have a utility. The majority of MSMEs 41% do not know how to determine the costs in their product. Therefore, most of the time they fail and have to close, because they don't get the profits or sometimes they don't recover what was invested.



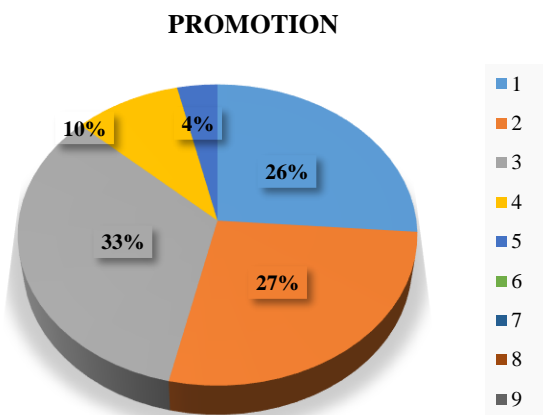
Graphic 4 Price Questions of the MSME study

48% of the distribution of SMEs is not good, which do not know how to manage their inventory management strategies, their orders are usually not in time and form. Most do not have the necessary logistics to transport their product to the place of sale. They do not have intermediaries, or alternative distribution channels such as electronic commerce.



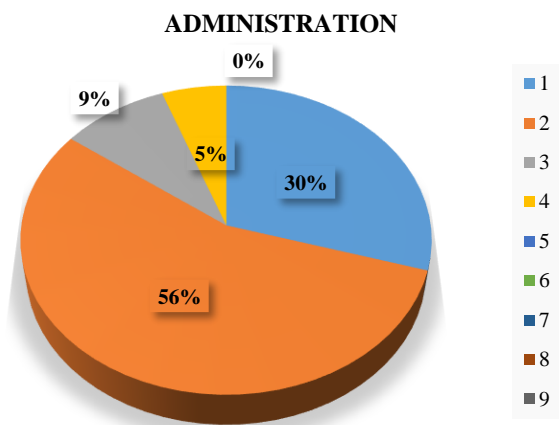
Graphic 5 Questions of distribution of the MSME of study

The majority of SMEs 33% are not very clear on how to publicize their product, what promotions to give, although today there are already different means for a product to be known, MSMEs only do it through networks social, that this at the same time is good but many times they trust and do not promote the product well.



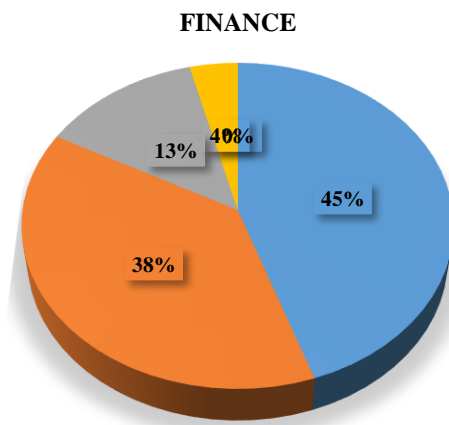
Graphic 6 Questions about the promotion of study MSMEs

Most MSMEs do not give training to their staff and that is why employees do not know how to do their job, and they do not have their company very well structured, they are not organized, and often employees do not know with whom to go because they don't have a single employer that tells them what they have to do.



Graphic 7 Questions on Personnel Administration of the MSME study

MSMEs don't know how to manage their finances well, they don't have a record for their financial operations, they do it manually, either in a notebook or sometimes they don't even keep track.



Graphic 8 Questions from the MSME Finance area of study

The SMEs do not know how to measure their indicators to measure their processes, they know who their competencies are, but they do not have strategies or well defined their competitive advantage so that they have more profits and obtain more customers.

Conclusions

Currently, any company that decides to stay must adapt to the changes that the market demands for its permanence and growth.

In the diagnosis of the micro and small companies studied, it is observed, as other studies have mentioned, the MSMEs declare that they do not provide training to their staff, they do not have a control on their costs and income, and therefore, they also More difficulties arise, as is the accurate knowledge of its process of production, distribution and commercialization of the product.

Bancomext (s.f), he says, that the financing and growth programs of the companies. Medium-sized companies also have management problems, but in other fields, for example, innovation, competitiveness and growth. The commitment and vision of entrepreneurs and entrepreneurs also influence their permanence and change. Therefore, they must fully know their business model, inform themselves and seek competitive advantage and value to their company.

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