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Management Performance and Durability of Small and Medium-Sized
Enterprises (SMEs) In México

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Submitted to National College of Ireland, August 2022

Abstract

Businesses provide to the economy paramount welfare in productivity, knowledge, and job creation, in Mexico, in terms of the constitution of companies, micro-enterprises represent 97.3% of the total established in this country, small and medium-sized enterprises (SMEs) represent more than 2.7%, and large companies represent less from 1%. The constant stagnation of companies in this sector has given rise to various studies and opinions in order to detect the main flaws to prepare entrepreneurs for these findings and unblock small and medium-sized companies that represent more than 40% of the contribution to the Mexican GDP. The most recent studies have focused on specific topics such as technology, administration, training and among others, with cross-sectional or longitudinal methods, without covering in general terms the common problem that all the SMEs in the country have that it does not allow them to have durability. As a result, the data gathered from SME entrepreneurs for the research project focuses on identifying the most prevalent traits and issues shared by all businesses in the industry using the cross-sectional approach, deductive appreciation, and interpretative philosophy. Administrative practices were evaluated as well as the presence of planning, both at the beginning of the company and throughout its functions, the above considered as crucial factors for the durability of small and medium-sized companies. For that reason, it was relevant to identify that the vast majority of the companies evaluated in the research project had biases with the planning of the company and lack of mechanisms for good administration for better performance and durability of an SME, along with the relevance of having trained staff. The findings showed a lack of knowledge on administrative issues and lack of planning follow-up, in addition to having little trained personnel for SME management, as well as the influence of different external factors such as support from the public and private institutions.

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Degree for which thesis is submitted: MSc in Management

Title of Thesis: Management Performance and Durability of Small and Medium-Sized Enterprises (SMEs) In México

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Acknowledgement

I want to extend a sincere appreciation to my tutor, Victor del Rosal. I sincerely appreciate your advice and help while I worked on finishing this thesis.

My thanks go out to my lecturers and everyone who participated in the study since the thesis would not have had any content without you.

I would like to end by thanking Diego, my uncles, my grandparents, and my parents for their unwavering love, support, and encouragement throughout this demanding academic year.

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Chapter 1 – Introduction

1.1 Background of the research

Small and medium-sized companies in different countries have been characterised by their essential work both in society and in the economy of a country, since those have a workforce of no more than 250 workers, with a moderate sales volume and less access compared to large companies to resources and tools. However, these types of enterprises worldwide have been making a significant contribution to the development of society and the provision of livelihoods for people (Rajiv Chopra, 2020).

Over the years, small and medium-sized companies in Mexico, as in the rest of the world, have played a significant role in the country's economy. SMEs have become a critical piece for large corporations and job offers in Mexican society (Alcaraz Rodríguez, 2015). According to the Mexican Institute of Statistics and Geography (INEGI, 2021), there are approximately 4.1 million business establishments, of which 99.8% are SMEs, which contribute 42% of the Gross Domestic Product (GDP) of Mexico and generate an average of 78% of employment, so in the last 15 years SMEs have become a relative engine for the development of Mexico.

However, despite the importance of the subject, the vast majority of the research carried out in the country by expert researchers in the country's economic development addresses their studies to specific topics instead of addressing the main problem of all SMEs (Sánchez, Y, Zerón M, & Mendoza G, 2015).

Despite their size, SMEs are forced to adapt the vast majority of their resources to face globalised markets and extremely rapid technological advances. In the same way, SMEs are forced to implement best practices in business terms to be able to meet large corporations that are already globalised and who already dominate those business practices (Camisón, C, 1997, Porter, 2014).

Therefore, small and medium businesses strive to resemble giant organisations as closely as possible. However, due to inadequate planning, small and medium enterprises face ignorance in many areas, putting the possibility of becoming a large corporation out of reach (Marcos Loidi, J. & González, J, 2019). In the same way, some identified factors disadvantage small and medium-sized Mexican companies, such as an economic system that is unfavourable for small businesses but favourable for large companies and a poor of business planning system for the vast majority of small companies (Aguilera & González, 2012).

Fortunately, the opening of small and medium-sized companies has been in constant growth in recent years, according to the census carried out by INEGI (2021). Every month between 2020 and 2021, 0.55% of establishments are born, which means that despite the significant obstacles that small companies have, there are still births, which keeps the contribution percentage of the country's GDP constant.

In the same way, the indicators show a constant in the measurement of both the growth of small and medium-sized companies, as well as their contribution to the country's economy, reflecting that small and medium-sized companies are capable of competing against large companies and exploiting factors such as less bureaucracy, organisational integration and motivation, internal communication, adaptability, greater flexibility for change or restructuring, and dynamism (Ballina, Medina & Martínez, 2006).

Some researchers (Sánchez, Y., Zerón, M., & Mendoza, G., 2015) have identified these types of skills that have been concerned about the durability of small and medium-sized Mexican companies since they have carried out various surveys with various business owners. Therefore, the research study seeks to identify the main administrative impact factors that do not allow a small business to survive in the Mexican market.

1.2 Statement of the Problem

Over the years, small and medium-sized Mexican companies have been managed as independent companies, which has allowed them to have meaningful participation in the Mexican economy (Alcaraz Rodríguez, 2015).

These small businesses have presented advantages compared to large companies, such as more excellent proximity to their customers since those place great emphasis on a more personalised consumer experience than standardised customer service. Although from a consumer perspective, it is rewarding, in business terms, it represents a high cost for a company to have a high degree of personalisation for its clientele. In the same way, small businesses have advantages in terms of flexibility to adapt to any situation that arises in the market, such as a COVID 19 pandemic, and ease of decision-making since it involves less personnel and counts with the participation of the entire workforce and in some cases not so high losses compared to large companies.

However, despite its advantages, small Mexican businesses face significant problems that do not allow them to last in the Mexican market.

Some of the disadvantages from the external point of view that small businesses face are: lack of financing, difficulties in entering and establishing themselves in the market derived from monopolies or oligopolies of large corporations, and greater vulnerability to economic or social crises such as It is the case of a pandemic.

Although these factors greatly affect this type of business, other factors have greater weight in the performance of a small and medium-sized company. These factors are of an internal nature and have to do with the internal administration of the business (García de la Torre, 2019).

Poor administration and lack of planning of small and medium-sized companies cause a very high vulnerability to face external problems that consequently trigger little durability in the market.

Most small and medium-sized Mexican companies face the same problems as large corporations, the big difference between the two is the type of administration that each of them performs. Derived from the above, small and medium-sized companies must have administrative training covering various issues that a company faces not only to enter a market but also to have durability (Forero C, Corredor & Forero N, 2010) and contribute even more to the Mexican economy and society.

Therefore, the research project seeks to identify what are those internal administrative factors that do not allow a small and medium-sized company to endure and become a large corporation.

1.3 Objectives of the Research

The main objective of the research is to examine the organisational performance, and the impact of the type of administration executed by Mexican SMEs has with their durability in the market, which the specific objectives are:

- Identify the new and usually administrative methodologies that an entrepreneur of a small business could implement for an adequate administration.
- The advantages of implementing adequate strategic management and planning for small businesses
- Examining the perspective that an SME has in the market
- The performance of an SME with an adequate organisational structure

1.4 Research Question

How can Small and Medium Enterprises in Mexico improve planning and market research practices to improve their profitability and business sustainability (resilience)?

1.5 Research Hypothesis

The hypothesis that arises is:

- SMEs can lead to lasting exponential growth with adequate planning from the beginning of their establishment.
- An adequate administration from the beginning and during the performance of an SME is one of the most critical factors for its durability in the market.

1.6 Scope of the Research

The study will be carried out in the Republic of Mexico among entrepreneurs of small and medium-sized companies that existed or still exist in the country, with the participation of 20 Mexican business people who voluntarily underwent an investigative interview.

The independent variables are administrative performance and initial planning, while the dependent variable is the long-term performance of small and medium-sized enterprises in the Mexican market.

1.7 Significance of the Research

The research seeks to add value to the various studies previously carried out by different researchers and for current Mexican business entrepreneurs, with the aim of filling the gap that exists regarding the elements that affect small Mexican businesses to survive in the market in Mexico. In the same way, the research aims to be a source of information for current and future Mexican entrepreneurs about the main elements to consider for an SME to have excellent administrative performance and the advantages of developing good planning at the beginning of the business. In the same way, the study can be considered by various public and private organisations that seek to encourage and enhance the creation and sustainability of businesses within the

Mexican Republic. In addition to helping the Mexican government create incentives and Mexican regulations that favour small and medium-sized companies in the Mexican economic system. In the same way, the research can serve as a reference for future researchers on the subject to enhance the referencing of their research.

1.8 Terms Definition

Mexican SMEs: Small and medium enterprises in México

SMEs: Small and medium enterprises

GDP: Gross Domestic Product

INEGI: National Institute of Statistics, Geography and Informatics of México

Chapter 2 - Literature Review

2.1 Introduction

Statistically speaking (INEGI 2021), there have been few SMEs in Mexico that have managed to develop and endure in the market with growth and expansion towards other markets, representing a considerable negative weight for the Mexican economy. SMEs provide essential goods and services to large companies, satisfy local markets, represent a greater proportion of the constitution of companies, generate jobs, capital contributions, and technology to the economy.

Derived from the above, the studies and opinions that have been carried out and disseminated with the aim of helping SMEs become relevant, since one of the first comments that arise is why Mexican SMEs do not prevail in the market. Therefore, the goal of the literature studies is to show how durability and performance over time have an impact on SMEs in Mexico.

2.2 SME Topics

2.2.1 Entrepreneurs & Entrepreneurship

Various authors have defined an entrepreneur over the years. However, the word entrepreneur as is known today is relatively modern, but the activity of setting up a business with the resources and the address of one or more people is as old as humanity (Herrera Ronco J, 2016).

Some researchers define an entrepreneur as a person who takes the initiative of organising a venture to capitalise it on an opportunity and decides what and how much of a good or service needs to be produced by managing and taking the risks of a business or enterprise (Arc. MB Bello Fnia, 2018). Others believe that an entrepreneur is a person with the ability to innovate where their path begins with an opportunity from which this person seeks the necessary resources to exploit it and transform it into a business (Parra Alvíz, M. et al., 2015). However, the position of the entrepreneur is relevant when it is conceptualised within the role it has in a country's economy since it is the decisive point at which it becomes relevant to society, as González Domínguez, F. J. (2012) points out.

Now, a high percentage of authors agree that there are different types of entrepreneurs with variations in the description, Arc. MB Bello Fnia (2018) summarises and defines them as follows:

1. Business-type Entrepreneurs

Those entrepreneurs with activities related to the supply chain, manufacturing, and agriculture, in which the use of research and development is essential to create or find new and better ways of doing things.

2. Technology-type Entrepreneurs

Entrepreneurs who are constantly looking for opportunities that give them a technological advantage and their businesses are characterised by their easy adaptation to new and modern technologies. However, entrepreneurs who implement alternative technologies that seek to imitate methods to promote or distribute their products are also involved in this category.

3. Ownership-based Entrepreneurs

These entrepreneurs, also known as innovative entrepreneurs, are characterised by setting up a business without the need for partners, in some cases with government support, be it monetary or direct associations with programs started by the same government where various entrepreneurs reinforce the economic activity.

4. Gender-based Entrepreneurs

Those entrepreneurs whose owners are male or female and their hiring of personnel are more inclined to their own gender.

5. Size-based Entrepreneurs

Those entrepreneurs who are characterised by the amount of investment they are willing to contribute to their venture (small, medium, or large).

6. Circumstantial Entrepreneurs

Entrepreneurs in this category are characterised because their entrepreneurship arises from the circumstances that surround them, as are the imitators who generate their innovation processes from basic elements already established, those who introduce a totally innovative product or method that was not available on the market and continue to innovate, those who only improve part of an already existing process—established and those who only keep their entrepreneurship afloat without innovation and without timely monitoring of changes in society.

7. Behavioural-based Entrepreneurs

Apart from being the owners or partners of the venture, these entrepreneurs have skills that are considered vital for the service or product offered or for the resource they provide. In the same way, inventors of new products, family businesses, and those who buy an established business.

The previous is relevant since an entrepreneur has a primary role in economic and social development since this is the one who strengthens the process of creating companies and is one of the main engines for creating

employment, innovation, and opportunities (Freytag, A., Thurik, R, 2007). Therefore, with the knowledge of the types of entrepreneurs that have been defined by previous researchers and authors of various entrepreneurship topics, it is possible to understand the most common types of entrepreneurship and if together they have the same problems that do not allow their durability despite their different goals.

On the other hand, entrepreneurship is defined as the capacity and willingness to start, organise, and manage a business, as well as the dangers that come with it, in order to profit (Arc. MB Bello Fnia, 2018) or as the execution of various ideas by an entrepreneur.

In both theory and practice, entrepreneurship is characterised in a variety of ways. It is commonly believed to mean starting one's own business. As a result, it is linked to market opportunities such as looking for, developing, or exploiting opportunities that arise from the environment (Freytag & Thurik, 2007).

Therefore, entrepreneurship becomes the very nature of a company since the activities carried out by a company to make goods and services available to meet needs are for profit, to obtain legal profits to survive, and create wealth for an entrepreneur, society, and governments (González Domínguez, F. J, 2012).

However, a venture not only involves placing a service or product on the market, it also includes the transformation of processes and the way of doing business. In fact, in recent years, it has been seen as small ventures that went to market with a single product have revolutionised society and the way of doing business due to the type of sales methodology or process that this undertaking introduced to the market.

Now, it is relevant to have knowledge of the types of entrepreneurship that exist and that have been relevant in order to be able to identify the aspects that those have in common between entrepreneurship for the detection of opportunities.

According to the book *Entrepreneurship: concepts and business plan* by the author Prieto Sierra C. (2017), the types of entrepreneurship can be classified as follows:

> Social

The social value characterises the enterprises in this classification that contribute without neglecting the economic value to their owners and investors.

> Cultural

This type of enterprise focuses on the world of culture and the arts since the main character is artistic creation.

> Intrapreneurship

These ventures create or encourage a new process or activity within existing organisations to improve their position in the market. Joint ventures are usually widely used in this classification.

> Business

The ventures in this section are the most common since they aim to create economic value with a product or service.

Entrepreneurship has had one characteristic in recent years: it has broken with traditional business schemes. Such as the creation of social networks or even innovation in the algorithms of the most contemporary social networks, as well as innovation in the consumer shopping experience of various products on the market or the full use of new automotive technologies, revolutionising the way of building cars with state-of-the-art technology without the use of fuels. Therefore, it has been a great example for small and medium-sized Mexican companies to adopt the new schemes of doing business hand in hand with current tools (Sánchez Y, Zerón M, & Mendoza G, 2015).

2.2.2 Performance of Mexican Small and Medium scale enterprises (SMEs)

Over the years, it has been possible to identify that there is an inequity within the business world that is one of the characteristics of economic development in Latin American countries (Herrera Ronco, J, 2016), so Mexico, being a Latin American country, is not spared from this inequity.

Economic theory identifies a number of obstacles that prevent SMEs from succeeding, including high salaries, restricted access to financing, poor administrative capabilities, a shortage of skilled workers, the inability to take advantage of economies of scale, a lack of market information, an absence of new advancements in technology and organisational techniques, in some cases too much red tape that stops their formation and function, and an inflexible labor market (World Bank, 2010). These obstacles prevent SMEs from expanding and building their capacities, keeping them as small enterprises with high trading costs and high failure rates (World Bank, 2010). In the same way, all these factors encourage informal business since it turns out to be the least complicated way for an entrepreneur to have their own business.

Small enterprises are particularly affected by these obstacles, which helps to explain why so many of them in developing nations engage in extremely low-productivity activities that are distinguished by the survival of their operators and owners rather than by capitalization (Saavedra-García, 2012). Based on this circumstance, microbusinesses are unable to develop into larger organisations with high levels of productivity and possibilities for expansion, giving rise to what is known in the literature as "the missing middle phenomenon" (or lack of medium-sized companies). In contrast, in terms of inclusive economic growth, Finland, Ireland, and Singapore are success stories (Monge-González and Torres-Carballo, 2015).

The Mexican government, seeking to support this sector in 2013, created the National Entrepreneur Institute (INADEM), which aimed to support SME entrepreneurs through different programs. Such as access to bank loans, incubation, marketing strategies, development of business plans, and agreements that bring SMEs closer to national and international markets (INADEM, 2022).

Since its creation, this institute has implemented a program where year after year, there are new and highly relevant exhibitors to increase the competitiveness of new and small businesses. This program is called the week of the entrepreneur. The program was quite beneficial for the entrepreneurs and the performance of the SMEs since it brought together different public and private offers in one place, which saves the entrepreneur money, time, and effort in the search for partners, suppliers, and monetary support, both private and public (Antonio Lopez, 2021).

INADEM support covered 4.4 million entrepreneurs (INEGI, 2021) with financing and investment. In addition, 42 Mexican venture capital investment funds were consolidated to invest in various high-impact ideas from Mexican entrepreneurs (Antonio López, 2021).

Unfortunately, the modification of the law for the development of the competitiveness of Micro, Small, and Medium Enterprises in 2019 caused the disappearance of the organisation. Which caused low government support to the sector and, in the same way, the spread of the COVID-19 virus, which It resulted in the halt of trade and economic activities, causing uncertainty in terms of the economy (crisis or recession) in all areas of the economy and a significant portion of the countries (McKibbin and Fernando, 2020). Therefore, it severely affected the performance of small and medium-sized Mexican companies that, due to various circumstances, could not reinvent themselves to cope with the health crisis. The pace of activities was specifically slowed down by the SMEs, they made sacrifices such as liquidity in an effort to achieve long-term survival in order to maintain operations, the relationship with suppliers and customers, and the security of clients and staff (Blundell and Machin, 2020).

Due to increased market demand and new wants, consumerism has been aided by globalisation and the internet (Saldaña-De Lira et al., 2021), which caused other entrepreneurs to know how to reinvent themselves and use tools that offer low cost and high reach in the market. Thanks to the health emergency, social networks became a fundamental tool for entrepreneurs since those offered various methods to advertise their services and products at a relatively low cost.

However, not all small and medium-sized companies respond to crises in the same way since those are forced to know the resources, capabilities, and skills that allow them to maintain their overall well-being (Meneghel, I., Salanova, M. y Martínez, I. M. 2013).

The growth of small and medium-sized companies was such that companies such as Meta implemented a specific section on Facebook and Instagram so that various entrepreneurs and brands could have their virtual store in exchange for a payment (Saldaña-De Lira et al., 2021). At this point, it can be seen that despite the circumstances, the performance of Mexican SMEs improved and was able to overcome the crisis at that time and give it a new business perspective for both small entrepreneurs and large companies, which presented a chance for the digital revolution to endure in the current setting of the COVID-19 pandemic's effects (García-Contreras, R., Valle-Cruz, D. & Canales-García, R.A. 2021). In order to adopt teleworking, make online sales and purchases, and remotely manage manufacturing activities, many organisations must rely extensively on digital tools (Pauline Henriquez, 2020).

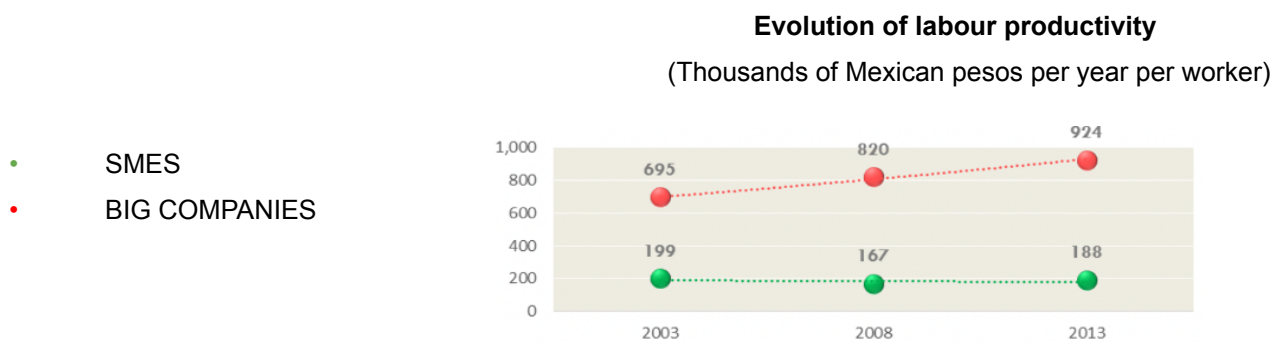
However, despite government support and the digital tools available to SMEs, Mexican small and medium-sized companies have behaved in ways that have been quite detrimental to their performance and have become a constant in recent years. According to INADEM (2022), on average, 65 out of every 100 new companies that arise in Mexico close before the first three years of life due to administrative errors since the constant that occurs in small and medium-sized companies is that the entrepreneur or a designated person is in charge of the vast majority of administrative activities, without realising that administration is a complex process that needs to have a little more depth than a single person cannot carry out (Campos, 1997). Derived from this need, there has been

the emergence of different companies that offer services to improve administrative quality in order to reduce problems with small entrepreneurs. According to the ASPEL report (2021), one of the companies dedicated to developing different types of software for SMEs in Mexico, more than half of the 4.1 million SMEs that exist in the country do not use administrative software in the first years of their existing operation. The same percentage outsources its administration on a large scale after almost eight years of operations, which results in something extremely delicate if it is being tried to improve the performance of this sector of companies due to the high weight they represent for the economy of a country.

However, analysing the Aspel report, the fact that SMEs take so long to outsource makes it difficult for them to improve competitiveness, update in digital and regulatory matters, and efficiency in the administration of human resources.

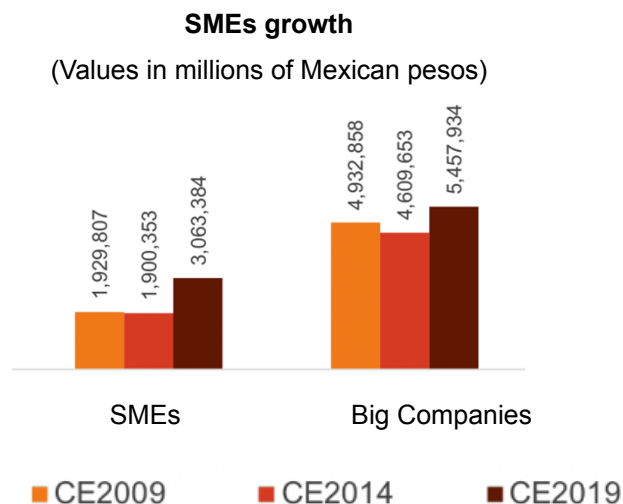
The latest report issued by INADEM (2016) describes that Mexico faces a great productivity challenge since various surveys carried out by INEGI have had low productivity results from Mexican SMEs despite the great weight in the Mexican economy.

The following graphs show the comparison between SMEs and large companies according to the fees per worker of each company:



Source: INADEM, 2016 with INEGI data

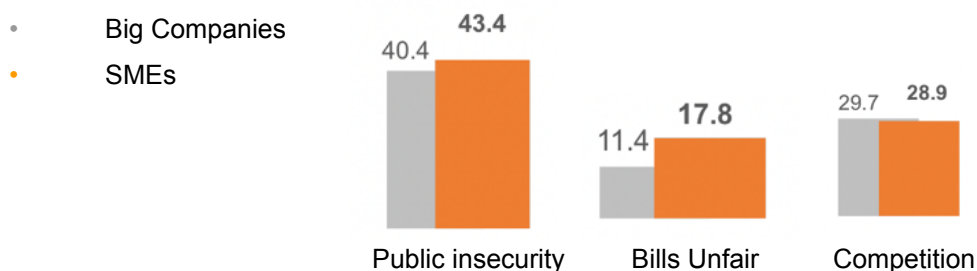
A vast gap began to be generated between the hours that a worker dedicates to large companies such as SMEs. Now, in the following graph it can be seen the growth rate of SMEs compared to large companies in 2009, 2014, and 2019, according to the most updated census to date by INEGI:



Source: INEGI

It can be seen how the large companies have remained constant in the three years of measurement above with slightly higher growth in 2019 with an average annual value added of 3.4%, but, in the case of SMEs, slightly lower growth is seen. However, with the arrival of the COVID-19 pandemic, it is observed how it favours the digital tool of social networks, having an average annual added value of 10% in 2019.

Similarly, the study carried out by INEGI (2019), shows which have been the main problems that SMEs have manifested in comparison with large companies that prevent them from improving their productivity:



Source: INEGI

2.2.3 Administrative methods

"It is a comprehensive process to plan, organise, integrate, direct, control and coordinate an activity or work relationship, which is based on the use of resources, to achieve a specific goal." (Rodríguez Valencia, J., 2010).

Agustín Reyes Ponce (1984) mentions that an administration is made up of rules to achieve maximum efficiency in structuring and managing a social organism. The administration represents a natural resource that deserves to be catalogued at the same level as the factors of production, working capital, and material resources. The administration intervenes in combination with other factors related to production, playing a complementary role in the proper functioning of a business that, according to the experience of several entrepreneurs, becomes fundamental (Rodríguez Valencia, 2010).

The creation of small and medium-sized companies has been generating unique characteristics of the sector, among which the administration of the small business is usually in charge of a single person (the entrepreneur) or a person assigned by the same owner. In most cases, this person is not fully trained to act as managing (planning, organising, directing, and controlling), (Rodríguez Valencia, 2010).

However, GR Terry (1992) highlights that the administrative process is universal and transcendent, so some essential functions are necessary that any type of business can use. Therefore, speaking of small and medium-sized companies, these functions are vital since it has been talking about the beginnings of a company, where these functions represent the roots for constructing a lasting company. The primary functions consist as follows and in the following order:

- Planning

The planning function represents the map to follow for any type of company so that if good planning is done, the company will be prepared for any eventuality that may arise both at the beginning and along the way.

It consists of establishing objectives and policies, developing basic procedures, programs, and internal regulations to be followed.

The planning of a company answers the following questions:

What is needed? How is it going to achieve? What objectives are going to be achieved? What actions must be carried out? What risks to identify?

- Organisation

The organisation represents the backbone of an organisation since it is made up of dividing the work team and the work, as well as assigning existing resources, distributing workloads, and the delegation of authorities and the schemes in which will be working for a company.

The organisation of a company answers the following questions:

Who should do the work? Are all the areas necessary to develop the company established? When should the actions take place?

- Integration

The function consists of recruiting and selecting all the personnel that will be supported in each of the areas made up by a company, for which it is necessary to allocate budgets for payment of the personnel and the establishment of facilities as well as a respective warehouse.

In the same way, a work team is in charge of monitoring and managing the elements that integrate a company.

Integration answers the following questions: How much financial resources are required? What facilities are needed? What human resources are needed?

- Management

Management is vital for a company to achieve its goals efficiently and without many bumps. The company's management represents authority, communication, and innovation since it is how all the strategies needed to implement will be implemented, as well as the improvements, wanted to implement within the operating process of a company.

The management function answers the following questions: What tasks will be executed? Furthermore, how are they going to be executed?

- Control

The control function is a critical link to measure a company's performance since, without it, it is impossible to detect in which process an improvement can be made so that the company continues generating profits and simultaneously ensures permanence in the market. Control activities consist of preparing reports, performing comparisons, cost analysis, and establishing budgets for the operational activities carried out by a company.

The control function answers the following questions: How are the actions executed? Are controls established for each process? Moreover, Are the processes executed as planned? Are there areas for improvement?

All these functions represent an important aspect when establishing a company, so after the entrepreneurial idea, it is necessary to consider them when the decision to establish the business has already been made. However, these functions do not necessarily have to be the same all the time during a company's life, which characterises large corporations (GR Terry, 1992), the functions are dynamic and evolve according to their stages. These functions need to be adapted according to the strategies of a company to face the conditions generated by the market in which the company operates. In the same way, it is necessary that the functions be adapted to the political, economic, and technological conditions so that previously defined company objectives are achieved together.

SMEs have been characterised by the fact that a single person manages the administration instead of a group of people who work in the same company. The entrepreneur usually defines the functions and organisation of a company (Saldaña-De Lira et al., 2021). However, due to the type of business ideas, not all entrepreneurs have a business background since their specialisation is in another area, so it becomes relevant that the owners of the SMEs have an understanding of the nature of the administration (Sastre and Raquel, 2013) so that it can be transmitted to the assigned collaborators who will be performing these functions, Gavlan Escobedo (1996) mentions that three groups need to be clear about the nature of the administration:

1. The people in management positions (entrepreneurs)
2. People who hold operational positions (employees or workers)
3. Professors and students

2.2.4 Relevance of market analysis & planning

Throughout the performance of SMEs, there is a complex evolution in a business environment characterised by the globalisation of markets, therefore, the need arises to increase their performance (Raymond and St-Pierre, 2005).

Planning within this context takes much strength since it consists of influencing the future of any type of company for decision making, and that becomes the essence of an effective operation, which involves time and cost.

Castro et al. (2006) summarise the benefits that an SME can have when carrying out good planning:

- Reduces risks
- Reinforces objectives
- Simplifies coordination
- Facilitates control
- Creates new opportunities
- Defines the actions to follow
- Vitalizes the organisation

Therefore, it takes time to carry it out, however, as a universal function, it requires an effort of research and market forecasts to become the keys to correct planning (Rodríguez Valencia, 2010).

Planning entails deciding what will be done, how it will be done, and when and who will carry it out, hence the importance of carrying out a planning structure for future decision-making. (H. Koontz and C. O'Donnell (1955). With this, it is possible to foresee potential difficulties and anticipate the risks that will be present during the execution (Serpell and Alarcón, 2003).

Although most SMEs carry out planning before starting the business, the statistical results of INEGI (2021) reflect that their planning is good but has areas of opportunity since the sales performance and durability of SMEs have remained constant. However, the entrepreneurs of this sector of companies have expressed in different forums for SMEs that they did not foresee certain situations that they have experienced with their companies, which has caused them to experience difficult situations along the way (Ortiz Ocaña and Cortés Méndez, 2019), which is why many universities in the country have developed various programs to attack the problem of broader planning, with various tests and dynamics so that entrepreneurs are aware of everything they have to consider when putting together their plan (Real, Leyva, & Heredia, 2014).

The planning process represents a real challenge for an entrepreneur, especially when setting up a business that will offer a service or product to the public in the entrepreneur's area of specialisation. In any case, it is essential that the entrepreneur has a reference of business so that they can cover various aspects of planning and control. In any company, the Planning, Programming, and Production Control (PPC) processes are complex and challenging to execute, mainly due to a large amount of information and the number of variables necessary to make the right decisions (Castro et al., 2006).

Regarding market analysis, SMEs start with an idea according to an identified need. However, there is evidence that their marketing strategies have not been successful since they lack technical support, which does not guarantee them success in their planning for its development and sustainability (Lovato, López, and Acosta, 2018). These authors also indicate that national SMEs have a high level of empiricism in all their processes due to the lack of training investment and innovation.

Modern technology and a globalised environment allow consumers to be aware of all the offerings, which is an advantage that SMEs can take advantage of widely, however, when consumers see such a variety of products or services, they become more demanding, so it is necessary for SMEs to innovate in their advertising campaigns and have a better understanding of their market so that they can enter the market more firmly.

Viteri (2017) and Wereda and Woźniak (2019) mention that the marketing trend reflects the evolution of customers since, in the digital age, they are more informed, more demanding, and seek better experiences in making shopping decisions. These authors agree that marketing is subject to technological advances since they have been the forerunners of new trends, including, but not limited to, social networks, big data, endomarketing, sensory marketing, experiential marketing, and content marketing.

In their planning process, SMEs need to cover the evolution and trends of the market in which they entered so that they can develop suitable campaigns for their service and product and keep up to date on market fluctuations (Rodríguez, Pineda, and Castro, 2020). In the same way, the authors consider that the evolution and trends of marketing come from a mutation of the traditional, so it is necessary to have the basic foundations of marketing in order to know the future trends that the market will have.

For example, according to Kotler, Kartajaya, and Setiawan (2018), current marketing consists of deepening and broadening marketing focused on the human being to satisfy their needs. There is not much difference from what marketing was years ago, the bases remain the same: "satisfy the customer's needs". The only thing involved is knowing by what means and how an SME will be known to meet that identified need. Additionally, Suárez (2018) indicates that it implies the prediction and anticipation of what is going to happen in the market, in order to identify trends, with the above SMEs have more security to enter the market since they would have extensive knowledge and in some cases, they will even be able to anticipate the changes that happen.

The trends of big data, e-commerce, content marketing, and social networks, among others, must be considered by SMEs in the future in order to adapt and achieve more remarkable technological and digital development. According to Alarcón and Granda (2018), SMEs must innovate their marketing planning to stay in the market, just as large companies do.

Precisely, the most relevant trends correspond to big data or handling of large databases at high speed and quantifiable support (Goyzueta, 2015), sensory and experiential marketing, which, according to Ortegón and Gómez (2016), rely on feelings to attract customers, e-commerce or commercial transactions carried out on the web (Mieles, Albán, Valdospin, & Vera, 2018), content marketing, which seeks to empower customers (Pažèraitè & Repovienè, 2018), and social media marketing, which, through social networks, enables the development of lower cost and higher impact strategies (Real, Leyva, & Heredia, 2014).

With all these innovations that are somehow within reach of SMEs, they can significantly ensure relevant advertising for the product or service and generate constant sales that allow an SME to last in the market.

2.2.5 Strategic Management

Numerous studies look at the factors that determine strategic management and how it affects the process and output indicators of businesses. (Ivanova et al., 2019, Oladimeji & Udosen, 2019). The authors (Ivanova et al., 2019, Oladimeji & Udosen, 2019) contend that shifting markets from local to national and from regional to international have an impact on strategic management. As a result, competition intensifies, and the worth of strategic management instruments is explored.

The previous derives the importance of SMEs knowing how to anticipate changes in the market in order to manage small or medium-sized companies with these new demands that they will have. As it is known, the fluctuations of any type of market are very constant, and companies are dealing with these fluctuations daily, looking for ways to innovate in order to survive, so management activities must be under these movements. Otherwise, a company, whether large or medium, will not have the necessary organisation to meet the demands in local and international markets, which will affect the company's durability. The author Miladi (2014) states that building an innovative strategy based on a company's forecasting is crucial, highlighting the significance of a leader in the management of SMEs.

According to Milshina and Vishnevskiy (2016), innovations are essential to the growth of SMEs. As a result, they concentrate on research techniques that would foster innovations in SMEs. Processes for successful strategic management forecasting that call for assessing the possible effects of developing new technology, goods, and services as well as the possibility of setting goals (Milshina and Vishnevskiy, 2016). In light of a firm's predictions, the authors conclude that developing an innovative strategy is essential.

Therefore, it is essential to consider that innovation is not only focused on developing a new service or product but also on the technological area. Innovation is applicable in all areas that a company involves, and when it comes to having a more effective managerial performance, innovation plays a vital role so that an entrepreneur and his team know how to guide all those involved in the small and medium-sized company to better performance and with long-term expectations since various situations are being faced and innovated from the managerial level. Commonly, some authors, such as (Sastre and Raquel, 2013), describe innovation in strategic management as a ship with a crew and a captain, where the captain relies on the members of his team to be able to manage the ship and give it a course towards new waters to discover.

In the case of Mexican SMEs and companies in general, they have undergone significant management changes, especially with the arrival of new work schemes from Tech companies. Which, little by little, have set the example of strategic management, which can be the key to success for the durability of a company (Ortiz Ocaña and Cortés Méndez, 2019). The entrepreneurs of small and medium-sized companies in Mexico have a degree of responsibility to at least try to develop strategic management so that the skills of the members who work in a company grow and, in turn, the SME grows (Cheryl Conway and Paul Kattuman, 1999), however, that responsibility is not reflected. Similar to this, Avila and Preiss (2015) emphasise the significance of strategic management in SMEs, taking into account a challenging environment and processes of globalisation. These authors criticise the Mexican SMEs' use of strategic management methods as well as their lack of flexibility in gaining a competitive edge. The authors advise using strategic management consultants to increase flexibility.

Parnell (2015) describes this situation with Mexican SMEs as a crisis in both the private and public spheres, mainly due to the influence of business practices carried out by the United States, derived from the growth in investments of US companies in Mexican SMEs. The previous reflects the trends that SMEs have in their performance and how various authors have noted these trends over the years.

2.2.6 Is there a problem with the organisational structure?

For Mexico, having a sizable base of small and medium-sized businesses is an excellent asset in luring new investments and enhancing the presence of Mexican goods and services domestically and abroad. It is crucial to take steps to improve the business climate and directly assist SMEs in order to foster the conditions necessary for their development, expansion, and consolidation. An increase in investment is implied by adopting actions focused on the strategy, organisational design, human resources, information and communication technologies, and quality certification.

SMEs need to adjust their management, organisational structure, and strategy to the changing economic climate of today in order to be competitive. But many businesses continue to have a conservative mindset because they are afraid of failing or lack confidence in their ability to implement the appropriate strategies to compete in a globalised market (Del Carmen Gutiérrez-Diez et al. 2013).

Through numerous studies, Miladi (2014) has come to a conclusion—which he acknowledges—that experiences and management training techniques in SMEs are the most important elements influencing organisational structure.

For example, microentrepreneurs attribute, in many cases, the failure of SMEs to economic, political, and social issues, highlighting the lack of official support as well as the deficiency in aid programs for SMEs, the scarcity of sources of financing, the high tax rates, and excessive government controls, poor strategic and administrative management, it has been shown that 50% of companies go bankrupt during the first year of activity due to poor management and a poorly planned organisational structure (Calle, 2013).

The organisational structures commonly used by SMEs are:

Online structure: It is a traditional hierarchical model whose principle is the unity of command, each employee receives orders from a single superior. Within this structure, many departments organise by function, product, target market, or mixed.

Online and staff: In this type, the structure is complemented by the knowledge of specialists who advise managers. The principle of command is maintained that only those who give the orders receive advice from other experts.

In committee: Establishes a participatory system in decision-making. It favours relationships between staff and increases their motivation. The advantage of this structure is that it encourages the employee and their growth within the SME. The environment generated by the more significant interrelation usually benefits the company's development.

Matrix: Combines the benefits of departments by functions and departments' by-products. For it to be effective, it is necessary to establish a double line of authority: one responsible for functions and another for projects. The advantage of this model is its flexibility since it allows the situations to be configured according to the company's needs. In addition, it can benefit from the knowledge of workers with different specialities.

(Cheryl Conway and Paul Kattuman, 1999)

These types of structures are not entirely wrong, however, there are factors such as disorganisation that are rarely considered decisive and influential, but their impact can cause different attitudes in workers (Calle, 2013), lowering their productivity and performance, as is the proposed organisational structure model and the organisational culture that is generated.

2.2.7 Reasons for Business Failures

Small and medium-sized firms (SMEs) are the foundation of the Mexican national economy, according to the Mexican Ministry of Economy (2022). This assertion is supported by the recent trade agreements Mexico has signed, as well as their significant effects on employment growth and national output, as noted by the same secretariat.

INEGI (2021) shows that about 20% of the SMEs (about 1 million 10,857) businesses in Mexico disappeared in a period of 17 months, which lowered the curtain in 2020.

Despite the significance of Mexican SMEs in both the economic and social spheres, there have traditionally been a number of issues that have constrained their growth.(Del Carmen Gutiérrez-Diez et al. 2013).

According to the Centre for the Development of Business Competitiveness of México (CETRO-CRECE), 75% of SMEs in Mexico fail and close their operations within two years of starting operations, the centre highlights the following reasons:

> Few investigations market

A first analysis reveals a target audience for a product or service, what they are looking for and what the competition is doing.

> Little Planning

Lack of action proposals without a plan of how, when, and for what purpose ends with the idea that has no direction. Many SMEs lack a work schedule and measurable goals that can be achieved.

> Little Legal Advice

Many SMEs' legal and fiscal responsibilities are ignored, or there is no correct constitution, the business will have problems growing sooner or later.

> Little involvement with marketing

Many small entrepreneurs believe that marketing is costly and only works for large companies. Investing in a suitable campaign helps increase the brand's presence and get new clients (Goyzueta, 2015).

> Low presence on the internet

Having a digital presence through social networks or websites helps products or services reach more people. Mexico, according to the Mexican Internet Association (2022), has more than 63% of the population access to the Internet, however various studies show that 57% of SMEs make digital sales, it is a tool that is very much within reach of SMEs to position themselves in the market (Asociación de Emprendedores de México, 2020).

> Prices not competitive in the market

Many SMEs offer a product that is unsuitable within a specific market niche, so its price is not in line with its quality, and above all, it falls outside the parameters of the competition. Customers will not buy a product similar

to the competition if it is more expensive and does not provide anything new that justifies its price, so direct competition should be investigated, as well as similar products and services (Suárez, 2018).

> Measurement of results

Some SMEs have shown that they have not had a comparison of the initial income obtained after a while, the amount of money invested, the procedures that have generated better profits, and the objectives achieved, so they did not have the guidelines to define the direction of small business and define better strategies. (Rodríguez Valencia, 2010)

> Ignoring talent attraction

Having a solid work team is the basis for starting a successful company. Investing in attracting and retaining the right talent is key to achieving business goals (Herrera Ronco, 2016).

> Inadequate search for financing

Many small entrepreneurs fear external financing for their company because they believe they will lose control of their business or resort to incorrect financing that generates more problems than solutions (Alcaraz Rodríguez, 2015).

> Lack of financial planning

Some SMEs are not aware of the income and expenses of the business, as well as the available balance of the accounts, and in some cases, do not have a financial plan that indicates the direction that the business should take in economic terms. Being clear about the areas that need investment and the amounts required for these tasks is an essential step in consolidating an SME (Parra, 2015).

According to the Association of Entrepreneurs of Mexico (2020), 80% of SMEs have less than 2 million in annual turnover, 74% have from 1 to 5 collaborators, 45% of ventures are mainly dedicated to supplying services, and 36% are between 1 and 3 years old.

Similarly, the association revealed through various studies the main reasons for failure in the following order:

1. Lack of knowledge of the market (34%)
2. Bad administration (32%)
3. Problems with partners (25 %)
4. Lack of working capital (23%)
5. Little openness to financing (22%)
6. Lack of clients (18%)
7. Availability of time (14%)
8. Lack of technical knowledge (11%)
9. Problems with teamwork (7%)

Entrepreneurship Association in Mexico (2020)

On the other hand, the Ministry of Economy (2022) has observed the following problems:

- Limited access to financing sources.
- Excessive tax burden.
- Limited participation in foreign trade.
- Decoupling of the most dynamic sectors.
- Deficient training of its human resources.
- Lack of links with the academic sector.
- Weak structure and techniques in its organisation and operation.
- Higher interest rates than in developed countries.
- Bureaucratism and complicated government structure.
- Globalisation and accelerated technological changes.
- Higher input costs and little bargaining power.
- Little innovation and poor quality products.
- Inefficient promotion programs

The failure rate of SMEs in Mexico is among the highest in the world. Even though the primary causes of these failures have been identified and categorised, namely: issues with production, sales, and operations, as well as control over operations and management, these issues have not been resolved, as evidenced by the country's high mortality rate (Matus Pérez, 2018).

2.3 Identification of the Research Gap

The literature related to the history of the performance of small and medium-sized companies in Mexico has found different points of interest over the years, and research focuses on the main problems that various authors have identified over the years, mainly because the common denominator has been that despite the years that have passed, these companies still have the same problems.

Similarly, it was observed how various institutes had been created over the years to support SMEs in the country, where they have undertaken the task of carrying out more in-depth research studies, where the results they have published it has been possible to observe how the performance of the SMEs has remained constant but without aggressive growth.

Entrepreneurial activity, whether motivated by genuine interest or necessity, is crucial when taking into account the economic and social health of a society, just like it is in other social science disciplines of study. It creates jobs and chances for employment from a social standpoint, and from an economic standpoint, it helps to build wealth. (Torres Carbonell, 2010).

Therefore, many of the factors identified as problems in the development of SMEs were supported and, in some cases, criticised by previous researchers and experts on the subject, as well as supported by statistical data shown by public institutions involved in the development of SMEs.

Chapter 3 - Methodology of Study

3.1 Introduction

This section seeks to describe the methodology used to analyse the experiences that the entrepreneurs have had along their path with their businesses.

The applied research methodology will be analysed from a theoretical point of view, which is considered adequate for the project, as well as the chosen technique of collecting information to carry out the research project, without leaving aside the justification of the studio.

"We can only think and receive knowledge of a stranger when we are open to everything, the visible and the invisible." (Barber, 2006).

3.2 Research Philosophy

The qualitative approach can pinpoint its origins in various historical periods through various investigations. For instance, Vidich and Lyman (2000) place them in the 15th and 16th centuries with the so-called early ethnography, in which primitive peoples were studied, Lincoln Y. y Denzin, N. (2003) essentially confine them to the early 20th century, as do Christians (2005).

The first issue is that numerous theories have been regarded as distinct categories of qualitative research (Tesch, R. 1990, identifies 26 classes), and these theories have various epistemological foundations. However, it is concurred with Mertens (2005) that constructivism is likely the paradigm that had the most significant impact on the qualitative approach because it holds that there is no objective reality, knowledge is socially constructed, and research is the result of the researcher's values, the researcher and the people being studied are engaged in an interactive process, and generalisations are not possible.

According to Mertens (2005), research is inherently shaped by the researcher, who brings their subjective perspective of observed phenomena based on their personal experience, in contrast to constructivism, which is very similar to critical theory (Habermas, 1989) and seeks to change the world. Interpretivism seeks to understand the world (Gadamer, 2002).

Various theories exist for data analysis, including:

- A qualitative data analysis technique called thematic analysis is the process of reviewing a data set (such as the transcripts of in-depth interviews or focus groups) and identifying linguistic patterns to identify key themes.
- A group of analytical techniques known as "narrative" is used to analyse textual or visual data that take on a storied form.
- Content analysis is known to study documents and communication artefacts, such as texts in various formats, images, audio, and video.
- Discourse analysis is a research technique used to examine spoken or written language in the context of society.

There are many research areas on SMEs since it is a sector of businesses operating in several economic sectors. Various researchers have employed these theories in their research on SMEs as well as quantitative, qualitative, and mixed methodologies, depending on the research topic.

Correlational, cross-sectional, descriptive or inferential statistics, exploratory, analytical, and comparative statistics are a few that stand out.

A reliable solution to an issue is reached through research, which is the deliberate and methodical collection, analysis, and interpretation of facts (Mouly, 1978).

3.3 Research Design

The type of research is qualitative deductive with interpretive philosophy, where the analysis was done by classifying, summarising, and analysing the data (thematic analysis). In the same way, the Cross-Sectional research design evaluates information from entrepreneurs who are the representative who knows the internal that a small or medium-sized company has from its creation to its completion if that is the case.

The research project is deductive since there are some ideas and theories of the subject of study, and the research tries to confirm those ideas and analyse the data with thematic analysis since the data was examined by grouping the answers by themes introduced by the literature.

3.4 Qualitative research

Assessment arises from the need to understand the study problem from the actor's perspective, from the researcher's interpretation of the study's subjects, to capture the meaning of social actions (Cook et al., 1986).

This appreciation is widely used to understand different behaviours, movements, motives, or opinions about the research objective, whereas questionnaires and structured or unstructured interviews are widely used. Qualitative research seeks the natural interpretation of social movement on the part of the researcher, with a class of research methodologies that draw descriptions from observations recorded in the form of field notes, video cassettes, narratives, recordings, interviews, audio transcripts, written records of all types, pictures, films, or other artefacts (Rodríguez Gómez G. (1996).

3.5 Justification of approach & limitations

The assessment of qualitative research was chosen because it focuses on quality with symbolic engagement through fieldwork. Understanding, describing, discovering, and developing hypotheses are the main study goals in qualitative research. Being adaptable and involved with natural or familiar scenarios is one of the fundamental characteristics of qualitative research facts, and their conclusions are extensive and thorough (Rodríguez Gómez G, 1996).

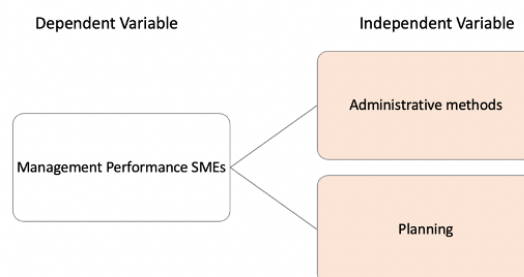
One limitation of qualitative research is that it cannot be generalised to the study population, which entails more research time since the techniques are less flexible.

3.6 Cross-section design

In-depth interviews were conducted as part of this cross-sectional, qualitative study using non-probabilistic sampling methods. Because the researcher conducts interviews with the participants while watching their motions and interpreting parts of their responses, the research approach is interpretivism in nature.

The cross-sectional design seeks in this research project the relationship between the proposed variables and the performance of an SME, which can be analytical or descriptive. This method is effective since, for the subject of study, it was necessary to collect data from different individuals involved in the enterprise at a specific time, where the researcher, during the collection of information, observed the variables of administration and planning in the performance of an SME, without influencing them. This allows testing the proposed hypothesis and analysing whether the information collected suggests limitations or involvement in the research, in addition to possibly measuring the relationship between the variables naturally.

The variables will be examined, and the implications will be examined using the data acquired from the study's participants.



3.7 Proposed methodology

Research methodology is a scientific process of methodical and in-depth inquiry in a field of knowledge to uncover hidden truths or develop principles envisioned by experience, theory, or observation. Additionally, research offers suggestions for how to carry out the goals (Agarwal B, 2015). The methodology will give us the organisation needed to find and explain the various problems or reasons that exist in the research topic.

Since a hypothesis is being used, one of the main objectives of the research is to test the established hypothesis since the study intends to find out the relationship between the administrative management of SMEs and the presence of planning.

Interpretivism is reflected in this study as a research method since this approach has a qualitative method, which implies that "it uses data collection to refine research questions or reveal new questions in the interpretation process in some cases" (Hernandez, Fernandez, and Baptista, 2014).

A sociological perspective known as interpretivism contends that it is critical to comprehend or interpret the beliefs, motivations, and behaviours to comprehend social reality (Gadamer, 2002). Similarly, interpretivism is relevant because it believes that individuals are complex and each has a different experience and views the same reality differently. It also gains an insight into individuals: and understands why entrepreneurs behave in specific ways.

The research will use the method of obtaining information through interviews with 20 entrepreneurs in Mexico to understand the different administrative methods used and the difficulties they have faced when establishing a small or medium-sized company and during its development management.

This type of analysis is appropriate for the present research work since it allows having information from the own voice of a group of people involved in the subject of study and has a quite enriching data collection since each entrepreneur will comment on their experience path of entrepreneurship and how the performance of their small and medium-sized company in the country has been. With the above, the researcher will be able to see the administrative impact on performance, as well as whether or not planning was involved in the operation of the SME, either in its beginnings or during the life of the small business. Likewise, this data collection will help validate the SMEs' previous opinions.

3.8 Data collection

The research project related to management performance and durability of SMEs has 2 data sources. The first is considered primary data collection since the researcher chose the interview method, which provides evidence of the opinions of the people involved in the study topic.

The second is secondary data collection, which includes previous work by other researchers and authors, business bulletins, journals, books, and other valuable information.

3.9 Deductive Interview method

According to some scholars, the maieutics (detailed in "Plato's dialogues") was the first step toward accessing general knowledge. The Socratic approach known as maieutics urges the student to find the hidden wisdom within it by asking probing questions (Salgado, 2007).

The definition of an interview is "a conversation that suggests a certain goal other than simply speaking" (Canales, 2006). A technical tool for data collection in qualitative research that is highly helpful.

A group of questions has been prepared in this qualitative research, with the aim of being applied through an interview to the group of entrepreneurs who own or have owned a small or medium-sized company in their charge, in a period either short or long, for this research topic.

The interview consisted of asking a series of previously formulated questions focused on the management performance of an SME and the existence of planning in the SME, the privacy of each entrepreneur was maintained, so their name was not required, only information about their company and their age for analysis purposes.

The phases of the interview were the following :

- i. Preparation: the relevant information regarding the topic was gathered, and the group of people involved in the research topic was identified. Subsequently, the group of people who agreed to be interviewed was

contacted to schedule the corresponding appointment in which the interview would take place through one of the communication platforms (zoom, google meets, WhatsApp).

The questions were formulated according to whether the enterprise continued or not. With the previous definitions, it was possible to formulate the type of questions for each type of entrepreneur and, above all, to inquire a little more about the performance of the small or medium-sized company.

ii. Opening: When carrying out the scheduled interview, the reason for the interview and the purpose of the information were informed, as well as the confidentiality of the information collected once the interview was over. Afterwards, the type of entrepreneur was defined together with an asked question (Is your enterprise operating?) to focus the questions.

iii. Development: The related questions were asked according to the previous definition by the entrepreneur to obtain as much data as possible. In some cases, complementary questions not formulated previously were added since the presence of more information to be developed was detected.

IV. Closing: the corresponding information was collected, conclusions were made, some answers were reaffirmed with the interviewee, the notes collected by the researcher were complemented, and the farewell was proceeded, giving the corresponding thanks.

The applied interview can be defined as a semi-structured interview since, although there were questions formulated, there was a degree of flexibility so that the researcher could adjust to the interviewees.

The surveys were conducted in the native language of the country (Spanish) with detailed notes from the researcher, which were later translated into English for analysis and presentation. The information was transferred to digital devices for protection and analysis through digital tools.

The limitation of carrying out this data collection method is that it is time-consuming for the researcher to prepare the interviews, carry them out and subsequently analyse them, which does not allow the researcher to extend to more details about the SMEs.

3.10 Validity and Reliability

For the care of validity and reliability of the answers by the interviewees, questions have been formulated that forced the subject to memory since this kind of semi-structured question occasionally calls into doubt the accuracy of the responses. Therefore, methods were employed to improve the accuracy of historical reporting. The questions were narrowed to the most recent events, averages rather than precise data were required, significant dates or events from the calendar were utilised as a guide, and memory help techniques were provided to the respondent along with one or even more memory cues in each question. For example, examples were given from other companies regarding their administrative processes.

The advantages of having applied interviews and that gave truth to the instrument were:

- Wide range of applications because it is possible to ascertain unobservable facts, including intentions, drives, points of view, views, inferences, assessments, and feelings, among others.

- There were no space-time restrictions because the questions concerned both previous events and future scenarios.
- The potential to concentrate on the theme, i.e., to concentrate on a particular goal or theme.
- Observation—both of oneself and others—gives the opportunity to learn about oneself (opinions, drives, behaviours, others.), as well as about observations made about an event or another person.

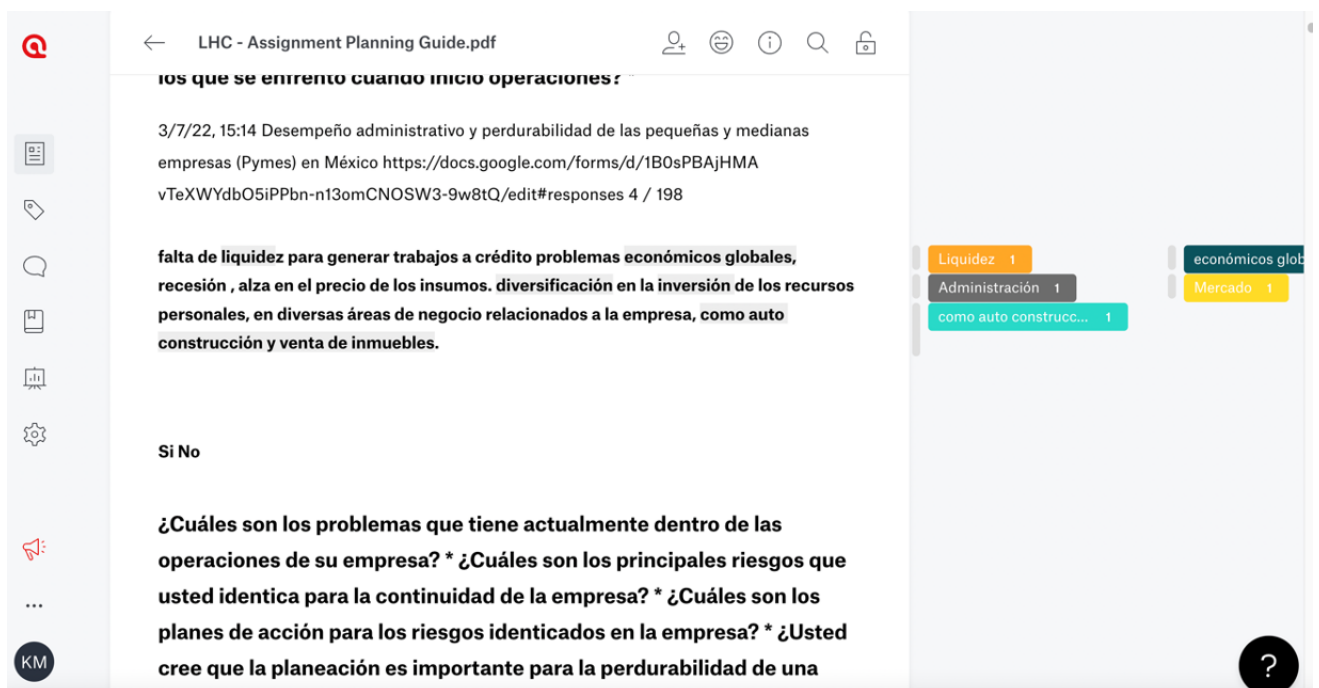
3.11 Method of Data Analysis

The research work, being qualitative, is not based on statistical data for the method of analysis, it focuses on more open approaches where what the researcher can capture from the interviewees becomes the essential data for the research project. Theories of:

Thematic analysis was applied, because the data was examined by grouping the answers by themes introduced by the literature.

Narrative analysis was applied to understand the stories that people commented to the researcher about their experiences and problems in their companies.

The analysis carried out was carried out manually, transcribing the interviewees' responses with the tools of the office package and the ATLAS tool.



Subsequently, the expected data and keywords among the interviewees' responses were analysed to generate a qualitative categorisation and coding, to carry out the respective analysis with the coding and answer the research question.

3.12 Research Population and Sample Population

The sample was non-probabilistic since the researcher's judgement carried out the procedure. Hernández, Fernández, and Baptista (2014) refer to types of non-probabilistic sampling, more used in qualitative research, within which the sample of voluntary participants stands out.

About the above, the researcher referred to the group of entrepreneurs who have one or more companies, either in a partnership or on their own. The sample was made with the question: Do you voluntarily accept a research interview of small and medium enterprises?

Therefore, the interview was carried out among the participants who voluntarily accepted the interview and were within the group of entrepreneurs in Mexico. The beliefs, feelings, and perceptions of the respondent were of great use to the researcher.

3.13 Ethical Considerations

The researcher firmly believes that the protection of the data obtained from the interviewees or from any means of data collection is the duty of any researcher.

According to David B (2020), research frequently requires extensive collaboration and coordination between numerous individuals from various disciplines and institutions, some values, such as trust, accountability, mutual respect, and fairness, which are supported by ethical standards and are very attached to research projects, are fundamental in collaborative works.

The responses provided by the interviewees were utterly voluntary, from above derives the question described above. The collected data were treated and handled with the care and responsibility that they deserve so that no other person uses it. The physical information was destroyed, and the information transferred digitally was secured in a digital repository (google drive) to which the researcher has access with two security authentications.

Chapter 4 - Analysis and Findings

4.1 Introduction

Throughout the research, several factors that have harmed SMEs in different fields have been discussed, as well as the purpose of the current research project. Based on the previous, this chapter presents the results of the interviews conducted with the group of entrepreneurs based on the previously formulated research questions, and the test results of the formulated hypothesis.

4.2 Presentation of Results

The interview with Mexican entrepreneurs was focused on reviewing the independent variables presented in the performance of small and medium-sized companies that have existed in Mexico, so in this analysis, the researcher sought to have all the elements that are raised in an SME with a series of questions that will help to

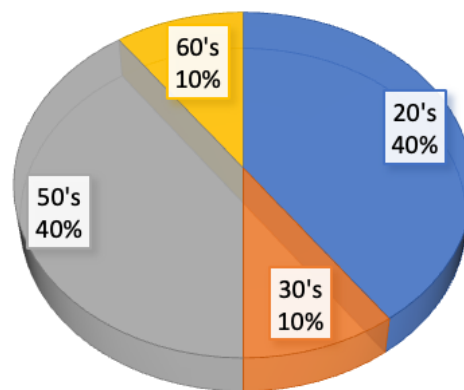
get these elements of the voice from the group of people who have decided to take the path of having their own business.

Therefore, the results will present the main administrative problems that the SMEs have had, both those that are in operation and those that had to cease work due to different circumstances, as well as the role of planning within their performance without leaving behind characteristics of the entrepreneurs.

4.3 Analysis of Respondents

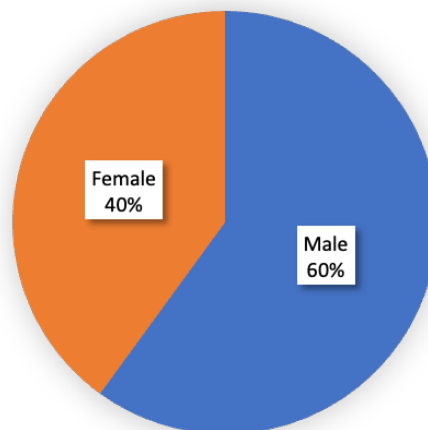
One of the characteristics of the interviews conducted with the 20 people who belong to the research objective group presented the following age ranges:

Graphic 4.1: Age Ranges of respondents



According to Cleri (2007), it is believed that the group of people who decide to undertake are in the age range of 20 to 30, however, when carrying out the survey, the researcher was able to realise that the majority of entrepreneurs are in their 20s (40%) as the author mentions, but at the same level are those in the 50s range (40%). Similarly, people between the 60s (10%) and 30s (10%) are in the same range.

Graphic 4.1: Gender of Respondents



Similarly, the second characteristic of the group of 20 interviewees is that 40% are women and 60% are men.

4.4 Analysis of Research Questions

The research surveys carried out on the target group of people relevant to the research project were as follows:

1. Have you had a business?
2. Are you a consultant for small and medium-sized companies?
3. Does your business continue?

SMEs in operation:

4. Name of your company
5. Number of employees
6. Annual sales
7. How many years have you been in operation?
8. What were the problems you faced when you started operations?
9. What are your current problems within your company's operations?
10. What are the main risks you identify for the company's continuity?
11. What are the action plans for the risks identified in the company?
12. Do you think that planning is vital for the survival of a small or medium-sized company? Why?
13. From your personal opinion and experience, what would help there to be more entrepreneurs?
14. From your personal opinion and experience, what would help small and medium-sized companies extend their lifespan?
15. From your personal opinion and experience, what are the necessary elements that a small and medium-sized company needs to have for good management?

SMEs that stopped working:

1. Name of the company you had
2. Number of employees you had
3. Annual sales
4. How long did your company last?
5. Why did your company stop operating?
6. What were the problems you had within your company's operations?
7. What would you need to operate again?
8. From your personal opinion and experience, what would help small and medium-sized companies extend their lifespan?
9. From your personal opinion and experience, what are the necessary elements that a small and medium-sized company needs to have for good management?

After having described the research methodology in the previous chapter and the exhaustive collection of data with the formulated questionnaire, the qualitative information received has the following results:

	SME	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	P14	P15	P16
EMP1	EMP 50	3			CLIE	REC	ECO	DIV	Y	PLAN	G08 EMP	G08 EMP	ADM				
EMP2	EMP 50	1	END2						Y					SOC	CH	ADM PLAN	G08 EMP
EMP3	EMP 50	3				CLIE MBR	CLIE	ADM	Y	PLAN	ENE	ECO	ADM PLAN				
EMP4	EMP 50	2	END2						Y	PLAN			ADM CAP	COVID	CLIE	INV	ADM TEC
EMP5	EMP 50	2			CLIE	INV	ECO	MER	Y	PLAN	CAP	CAP	ADM CAP				ADM TEC
EMP6	EMP 50	2	END2						Y					SOC	CH	DESIMO	DESIMO CAP
EMP7	EMP 50	2			ADM REC	INV	MER	MER	Y	RIE	INV ACT	ADM	ADM PLAN				
EMP8	EMP 50	2			MKT		CLIE	CH	Y	DIRE	0	CAP	ADM CAP				
EMP9	EMP 50	4			CAP		ECO	ADM	Y	PLAN	PLAN	ADM CAP	ADM CAP				ADM G08
EMP10	EMP 50	1	END2						Y					TIME	ADM	TIME	ADM CAP
EMP11	EMP 50	1	END2						Y					SOC	CLIE	DESIMO	ADM CAP
EMP12	EMP 50	1			CLIE	INFR	CLIE		Y	DIRE	ECO CAP	ADM PLAN	CAP				
EMP13	EMP 50	1			TIME		MER	DIV	Y	PLAN	PLAN CAP	CAP	ADM PLAN				
EMP14	EMP 50	4			CAP	CH	CH	CLIE	Y	DIRE	ECO CAP	ECO PLAN	ADM PLAN				
EMP15	EMP 50	1	END2						Y					ADM	COVID	INV	PLAN
EMP16	EMP 50	1	END2						Y					ESTRA	ADM	MER	ADM PLAN
EMP17	EMP 50	3			CLIE	INFR			Y	DIRE	CAP	ACT	ADM CAP				
EMP18	EMP 100	4			TEC	FAM	ADM	ADM	Y	PLAN	ECO	ADM PLAN	ADM CAP				
EMP19	EMP 50	1			ADM	CH	MER	DIV	Y	DIRE	G08 EMP	ADM PLAN	ADM CAP				
EMP20	EMP 50	2			CAP	ADM	MER	ESTRA	Y	DIRE	CAP	ADM CAP	ADM CAP				

CODE	MEANING
EMP#	Small and Medium-Sized Enterprises
EMP 50	0 to 50 Employees
EMP 100	50 to 100 Employees
1	0- \$100,000 pesos Profitableness
2	\$100,000- 1 Mill pesos Profitableness
3	1 Millón - 10 Mill pesos Profitableness
4	More than 10 Mill pesos Profitableness
END2	2 years Durability

CODE	MEANING
ADM	ADMINISTRATION
CAP	TRAINING
CLIE	PLANNING
MBR	CLIENTS
CH	MARKET HUMAN RESOURCES

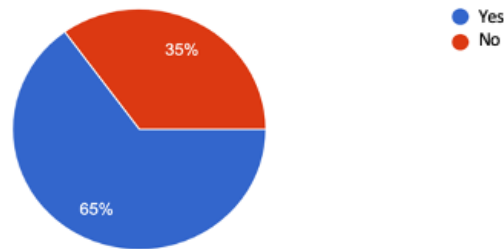
CODE	MEANING
ECO	ECONOMY
DIRE	DIRECTION
INV	INVESTMENT
EMP	BUSINESSMEN
G08	GOVERNMENT
DIV	DIVERSIFICATION

CODE	MEANING
SOC	SOCIETY
TIME	TIME
DESIMO	MOTIVATION
ACT	ATTITUDE
INFR	INFRASTRUCTURE
MKT	MARKETING

CODE	MEANING
REC	RESOURCES
COVID	VIRUS COVID
ESTRA	STRATEGY
TEC	TEC HNOLOGY
ENE	ENERGY

65% of those surveyed have managed to keep their company in operation for more than five years, while 35% did not manage to spend more than two years in operation.

Graphic 4.2: Durability

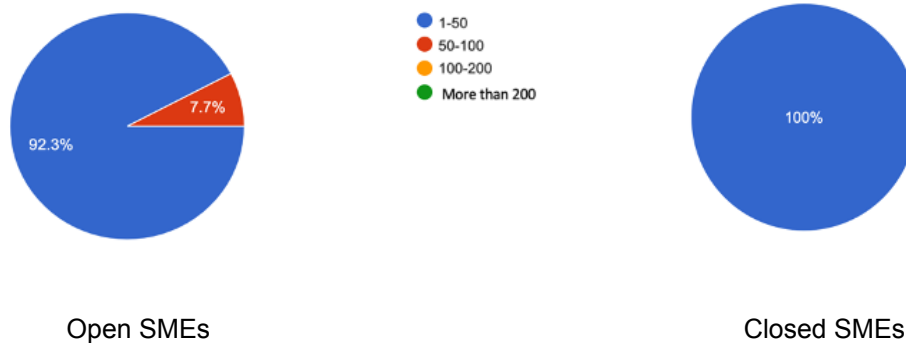


92% of the interviewees commented that their SMEs in operation have at least 50 employees, while 7% only reached a maximum of 100 employees.

The SMEs without operation did not reach more than 50 employees in their period of operation. The preceding validates that the companies of the interviewees belong to the group of small and medium-sized enterprises, as defined by the European Commission (2005), small and medium enterprises have 250 workers and an annual volume of approximately 50 million euros. Within which it subdivides it into two:

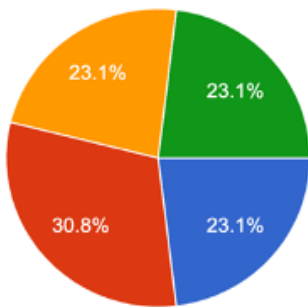
- Microenterprise: 10 workers and an approximate volume of 2 M euros
- Small Business: 50 workers with an approximate volume of 10 M euros

Graphics 4.3 and 4.4: Employees

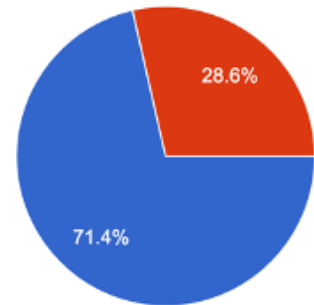


30% of those surveyed in SMEs in operation have had annual sales of up to 1 million Mexican pesos (approx. 47 thousand euros). In comparison, the other sales ranges remain at 23% in equal parts within small and medium-sized companies working. While in the case of SMEs without operations, 71% had sales for less than 100 thousand Mexican pesos (approximately 4 thousand euros), and 28% had up to 1 million Mexican pesos (approximately 47 thousand euros).

Graphics 4.5 and 4.6: Sales



- 0 - \$ 100,000 mexican pesos
- \$ 100,000 – 1 million mexican pesos
- 1 million – 10 million mexican pesos
- More than 10 million mexican pesos



Open SMEs

Closed SMEs

In this table, it can be seen the coding used to carry out the respective analysis, within which the most commented on the research questions on the performance of Mexican SMEs was the administration (20 %), in second place training (14%) and in third place planning (8%).

Table 4.4: Code

CODE	%
ADM	20%
CAP	16%
PLAN	12%
CLIE	8%
MER	7%
ECO	5%
CH	4%
DIRE	4%
INV	3%
EMP	2%
GOB	2%
DIV	2%
SOC	2%
TIME	2%
DESMO	2%
ACT	1%
INFR	1%
MKT	1%
REC	1%
COVID	1%
ESTRA	1%
TEC	1%
REF	1%
ENE	1%

ADM- Administration (20%)

Michael Hitt (2014) defines this subject as “management is the process of assembling and using sets of resources in a goal-directed manner to accomplish tasks in an organisation” so that the administrative process involves important activities and operations for the proper functioning of a business, such as planning and performance evaluation without forgetting the decisions that surround both activities.

According to the perception that various entrepreneurs have, the issue of administration was one of the concepts most identified within the answers of the interviews carried out, which gives rise to the fact that part of the performance problems of the Mexican SMEs is related to an administrative deficiency, the variation observed was that some entrepreneurs recognise that from the beginning they did not build good administrative foundations. In contrast, others found deficiencies throughout the operation.

Some examples are described below:

“work, the structure of a company, define a good organisation chart and not spend more than is generated...”,
Industrial Ebro-Quimex SA de CV

“an administrator, a good board of directors, a good structure...”, Inmuebles 360mx

“Organisation and lack of resources...”, Instituto Mexicano de Yoga

“Administrative problems...”, Piel Canela

CAP – Training (16%)

One of the most significant barriers for SMEs has been recognised as the lack of qualified human resources (Lee, 2006), which is why this research project reflects how the lack of trained personnel has harmed part of the performance of a small or medium-sized company.

The topic of training in this research project was not considered a significant problem within the hypothesis and research questions about the performance of small and medium-sized companies however, according to the responses analysed by the entrepreneurs, it is the second most important issue that stands out as a critical factor for a good performance of a small or medium-sized company or even for the prevention of bankruptcy, the most common responses in general to the training topic being the following:

“That the people who work understand that undertaking is not simple, on the contrary, it is a 24/7 job, and it gives you solid foundations to face problems....” The Hunters Agency

“Trained personnel committed to the company...” Omnilingua

“Knowledge of how to undertake, finances, quality, customer service, etc.” OEM Consulting

“In my case, I did not associate myself with the correct and trained person” LYM

PLAN- Planning (12%)

According to Michael Hitt (2014), “Planning is essentially a process to determine and implement actions to achieve organisational objectives” by what the fact of not having objectives or goals gives rise to a company not having a direction, specific effort, and is complicated to evaluate the performance of a company in that way.

The topic of planning represented the third most commented topic as a performance factor of a small and medium company since some respondents commented that at the beginning of their businesses, they did not give themselves the task of carrying out adequate planning to prevent future internal threats and external ones that

they had during the life of the company, leading them to close operations or that have had many problems over the years due to a lack of provision of resources and necessary controls in their processes. Some examples are:

"To have real control of the company and have elements of evaluation. What is not measured is not evaluated"

Omnilingua

"Training in the planning of the basic areas, finance, marketing, project management, etc....." BIXO

"The work, the structure of a company, defining a good organisation chart and not spending more than you get what is generated with good initial planning..." Industrial Ebro-Quimex SA de CV

"Improve work plans and dedicate 100% of the time to the project" Piel Canela

CLIE- Clients (8%)

On the other hand, occupying the Fourth position is a frequent theme within the problems exposed in the performance of small and medium-sized companies by their owners, which is the lack of customers.

Although the arrival of a virus never seen before in society, unleashed endless problems not only in the business field but in all components of the world economy, which is one of the factors that many small and medium-sized companies are affected, which supports why this issue is discussed as part of the issues highlighted in the research questions applied to SME owners. On the one hand, the interviewees focused on the lack of customers due to a pandemic, but on the other hand, they highlighted the unfair competition with which a small and medium-sized company lives since if they operate in markets with much supply, they face unfair competition prevalent in the Mexican market, in addition to little follow-up by themselves to attract potential customers. Among the responses of those surveyed, the following can be highlighted:

"Because of the unfair competition that exists in Mexico...." Inmuebles 360mx

"Lack of important clients" FUSION 5 SA DE CV

"Search continues for work (new works)...." Ameic

MER - Market (7%)

In fifth place are the conditions that exist in the market that entrepreneurs detect as threats to each of their businesses since they highlight that apart from the unfair competition that exists in the different business areas, are also barriers to entry, uncontrolled replication, unprofessionalism and preferences to larger companies that are a considerable disadvantage when it comes to small businesses.

As seen in chapter 2 of part World Bank (2010), small and medium-sized companies face many more complex things that are not so complicated for large corporations, calling it "inhibitors of success", so it can be verified with this result that market disadvantage is one of the medium factors that wreaks long-term havoc on the performance of small and medium-sized businesses. The most common answers expressed by the respondents as risks were:

"It is a very informal sector with mid-range artists, the economic power to invest makes a big difference, professionalism and patience is something that does not permeate much in this sector..." The Hunters Agency

"Replica..." Grupo Derzu

"Large-scale competition..." Instituto Mexicano de Yoga

"Demand or market penetration..." BIXO

Similarly, this result supports the writers Monge-González and Torres-Carballo (2015) discussed in chapter 2, since it is seen from the entrepreneurs' voice how the barriers they face are a threat of constant risk that does not allow them to have greater productivity characterised by the survival strategies of entrepreneurs.

On the other hand, it supports the statistics made by the INEGI related to the difference in growth between small and medium-sized companies with large companies, as well as the main problems identified by the institute in 2020.

ECO- Economy (5%)

In sixth place it finds the economic factor that in some way is an unavoidable risk and that many times is not directly related to small and medium-sized companies since the economy of a country involves many factors. The respondents highlighted that the most remarkable economic threats they face are of a global nature since they are susceptible to changes in monetary policies, as well as any adjustment that is made within the import and export of products.

Within which the answers that stand out the most are:

"...economic solvency supports all stages of a business, learning, loss, growth, exposure, stagnation. renovation, etc." Ameic

"...economic boost to start the venture" Shikoba Cafeteria

"Global economic problems, recession, rise in the price of inputs" FUSION 5 SA DE CV

CH- Human Resources & DIR – Direction (4%)

In seventh place is the lack of commitment by the staff that works in small and medium-sized companies. The respondents highlighted that the staff that works are often not qualified to solve various problems that SMEs go through, they have very low proactivity and attitude, in addition to being irregular. In the same way, they detail that the personnel that have been more qualified and with more outstanding commitment in the SMEs are university students with proper training in their functions.

On the other hand, occupying the same position in the results of the interviewees is the management of the company focused on the leadership part. The entrepreneurs point out that many times because they hire the most qualified personnel, they do not have the necessary leadership skills so that all the processes within the service or product provided flow in harmony, they point out that the knowledge of the processes is concentrated in a single person, there is no a direction to follow, they solve problems as it arises, but there is no improvement without establishing guidelines.

INV- Investment (3%)

In eighth place, the lack of investment in their businesses, either through various programs with private or government support or by the partners of the enterprises, stands out among the respondents' responses. Entrepreneurs point out that a more significant number of investors can solve more extensive processes within the SME that definitely increase the possibility of more outstanding durability as well as better performance in the

face of different risks, however, the lack of investment becomes a potential risk to continue with the small business implemented.

EMP- Businessmen, GOB-Government, DIV-Diversification, SOC-Society, TIME- Time, DESMO-Motivation (2%)

In ninth place, there are different issues related to the support provided by the government where it can be seen as the dissolution of almost all the activities of INADEM discussed in chapter two began to wreak havoc on the performance of small and medium-sized businesses since the same respondents detail that with a little more support from the Mexican government to small businesses they could face all the threats that arise, in the same way, they comment that entrepreneurs dedicated to investment projects request too many requirements to invest, leaving the sector without the possibility of accessing resources.

In the same way, there is the issue of the lack of time that many entrepreneurs and the same company staff dedicate to small business and that the above is closely related to the motivation for entrepreneurship and many times, both entrepreneurs and employees present too little faith in their own business by turning a positive issue that provides strength into a negative issue by turning it into a performance deficiency. As well as the diversification of small businesses, the respondents point out that they have learned to diversify through advice or courses they have taken, but that it is a very difficult topic to see in small businesses and that is learned over time, but many times it is already too late, or they no longer have sufficient monetary resources to carry out diversification.

Some responses from the respondents that stand out are:

“Alliances with similar companies, develop sales strategies in different channels” BIXO

“Fiscal support for new companies, dissemination spaces for small entrepreneurs, tax incentives for large companies to make strategic alliances with small and medium-sized companies” FUSION 5 SA DE CV

ACT- Attitude, INFR-Infrastructure, MKT-Marketing, REC- COVID, ESTRA-Strategy, TEC- Technology, REC-Resources, ENE- Energy (1%)

In tenth place are related topics to the attitude and energy of the same entrepreneurs and employees they do not provide to a small and medium-sized company, the respondents highlight that the lack of both elements represents a drop in the productivity of the SME and little confidence to continue with the project. This section also highlights the ravages of the COVID 19 pandemic, as discussed in chapter 2, it was an event that was not foreseen by humanity and reflected in many business areas of the SME sector, basically difficulties in continuing with the project detailed by the respondents.

On the other hand, the respondents highlight the resources such as the suppliers of the inputs that use the services and products of small and medium-sized companies, with which, in some cases, an adequate negotiation is not achieved, leaving an unequal business that affects the performance of a small business since it does not allow to have a greater profit for new processes within the SME, in the same way, it is related to the marketing strategy since the respondents highlight that part of the bad negotiations or the lack of will to the suppliers with whom they work cause losses, so they are limited by not being able to implement more effective

marketing strategies or hire consultants to manage advertising strategies better. The respondents also detail the lack of infrastructure for their own businesses, within the answers given, they detail that the spaces where they carry out their businesses have many limitations of basic services, and they are forced to hire them because of the difference in price that it represents, for what at the moment of having growth they find themselves with the limitation of working with even more obstacles since they are in little space.

The technology factor was a topic commented on by the respondents as a difficulty in accessing new technologies, which is why the little access they have represents a threat since they remain outdated, the entrepreneurs emphasise that in many cases, there is a plan to implement advanced technology, but the high costs of licences and services leave them without access to, it and they try to have the most advanced technology possible, but that can be paid for it.

The answers highlighted by the respondents are:

"A better operational strategy together with a better-prepared market study..." Lymh Electronix

"Support from financial entities to entrepreneurs, qualifying the best ideas in terms of their impact on the society

"Recycling of PVC

"... development of technologies market adaptation is a problem...." Industrial Ebro-Quimex SA de CV

4.5 Hypothesis Testing & Research Question answered Research question

How can Small and Medium Enterprises in Mexico improve planning and market research practices to improve their profitability and business sustainability (resilience)?

The topics of administration, training and planning were the most commented topics that small and medium-sized companies need to improve, so according to the analysis of the responses, the way SMEs can improve their planning is to plan from the initial idea of the product or service on all the aspects that the business will need and face, which will lead to the formation of a stronger foundation for the long-term performance of a small or medium-sized company, within which it includes administrative methods from the beginning operations and have improvements in these processes throughout the life of the company without neglecting them, and the implementation of quality training processes that are continuous to maximise the capabilities of each worker, all of the above will lead to having better profitability and durability to a small and medium-sized company.

Related to the hypotheses raised:

1. SMEs can lead to lasting exponential growth with adequate planning from the beginning of their establishment.

All the interviewed entrepreneurs answered that they consider that planning is essential for the durability of an SME, it was also the third most commented topic (12%) as an important point to consider and implement from the beginning of a small business, and the acceptance of that due to lack of planning there was no greater durability, so the hypothesis is accepted.

Graphic 4.7 and Table 4.5: Durability & Planning

SME	P1	P2	P3
EMP1	EMP 50	3	
EMP2	EMP 50	1	END2
EMP3	EMP 50	3	
EMP4	EMP 50	2	END2
EMP5	EMP 50	2	
EMP6	EMP 50	2	END2
EMP7	EMP 50	2	
EMP8	EMP 50	2	
EMP9	EMP 50	4	
EMP10	EMP 50	1	END2
EMP11	EMP 50	1	END2
EMP12	EMP 50	1	
EMP13	EMP 50	1	
EMP14	EMP 50	4	
EMP15	EMP 50	1	END2
EMP16	EMP 50	1	END2
EMP17	EMP 50	3	
EMP18	EMP 100	4	
EMP19	EMP 50	1	
EMP20	EMP 50	2	



● Yes
● No

CODE	MEANING
EMP#	Small and Medium-Sized Enterprises
EMP 50	0 to 50 Employees
EMP 100	50 to 100 Employees
1	0- \$100,000 pesos Profitableness
2	\$100,000- 1 Mill pesos Profitableness
3	1 Millón - 10 Mill pesos Profitableness
4	More than 10 Mill pesos Profitableness
END2	2 years Durability

2. An adequate administration from the beginning and during the performance of an SME is the most critical factor for its durability in the market.

Within the data obtained, it is confirmed that most of the problems in the performance and durability of an SME are highly related to the administrative efficiency that it has inside both in its beginnings and throughout its life of an SME, since which was the first most commented topic among the answers of the entrepreneurs according to their experiences in the companies that are currently in operation and those that ceased to operate, for which the proposed hypothesis is accepted.

Chapter 5 – Discussion

5.1 Discussion of Findings

All the findings in this research project are presented in this chapter, analysing it with the literary summary previously seen in chapter 2.

5.1.1 SMEs Administration and Planning

It was found that the administration of SMEs has many areas for improvement, although entrepreneurs are aware that administrative methods or people specialised in administration are necessary, however, they realise once the business had started, which exposes the lack of planning, especially in administrative matters, since the answers in the research questions detailed that until some eventuality happens to them, it was when they really valued the administrative part that a business needs from the beginning, and for some cases releasing this great detail was too late since their businesses broke. The previous is known as the barriers to growth described by World Bank (2010) in chapter 2, so how these barriers impede growth is clearly perceived.

In the literature in chapter 2, it was seen how within the administrative processes planning plays a crucial role in forming the foundations of a business, so not having one of the foundations hinders the performance of a business. It was found that all the interviewees consider planning an essential element for the durability of a small or medium-sized company, some define it as the “rudder that the ship called SME needs”.

However, at the time of business planning, its planning consists of some areas according to the line of business, such as the goals of the business itself, the type of operating methods to be used, attraction to certain types of clients, and others. Nevertheless, planning covers more areas; a common denominator found among the interviewees is that none of them prevented internal risks and external threats, so when facing these types of problems, it was challenging for them to get out of those problems, and to this day they continue dealing with this, an example of the internal risks were the comments related to the unmotivated and committed personnel, while on the part of the external threats they did not measure the composition of the target market to implement more adequate strategies according to the competitors, so they have faced much competition highly aggressive. In the same way, a lack was found in budget planning in most businesses, types of leadership that must be managed, guidelines and organisation with the personnel that work in the SMEs. All of the above could be taken as a reflection of the damage caused by INADEM since the programs that it had been carrying out since its creation are no longer carried out since, as was seen in chapter 2, INADEM supports in different areas SMEs, especially with the part of knowledge for broader and more effective planning to develop business plans at the door. So you can see how entrepreneurs have acted according to their knowledge and learning along the way. Fortunately, most entrepreneurs had a positive and open attitude to acquire knowledge about broader administrative processes to improve their own companies, the only limitation being the time they have.

5.1.2 Perception of SMEs entrepreneurs

It was found that entrepreneurs have a good attitude toward entrepreneurship and the generation of small and medium businesses in the long term, however, there is a characteristic among entrepreneurs, especially Business-type Entrepreneurs and Ownership-based Entrepreneurs, that is a low experience in all business areas showed in the sample of 20 entrepreneurs interviewed, however, It is not a characteristic of all entrepreneurs population. According to GR Terry (1992), the fundamental areas of a business are planning, organisation, integration, direction and control.

It was possible to perceive that some entrepreneurs lacked this type of information since the problems exposed by themselves were focused on unresolved administrative areas, which resulted in a fairly limited performance on the part of the company since they did not give importance to these areas resulting in little durability and little staff motivated to continue giving their best so that the small business will perform positively. If the prominent leader does not lead with these minimum aspects, it is a bit difficult for employees to stay motivated.

In the same way, little knowledge of the partners was found, both in the market to be dealt with and in the functionality of the business in which there will be a partnership, especially in the retail sector. Some entrepreneurs commented on how much their partners do not know and the improper things they did. It is clearly perceived that there is a motivation for the durability of Mexican SMEs on the part of the authors of business ideas, but the need for investment or financing leads entrepreneurs to seek a company to inject capital into their

business, which shows the lack of support from private and business institutions for the granting of credits. Once again, it is perceived how INADEM was aware of this problem since, as seen in the chapter, Antonio López (2021) describes how INADEM programs involve "searching for partners, suppliers, and both private and public monetary support" so that this sector of companies had more investment tools with as few problems as possible.

Although the organisational structure was not a very important issue in all the entrepreneurs' responses, it was an issue that some commented on, so the entrepreneurs should pay particular attention since they are talking about a critical factor highlighted in chapter 2. It is important that entrepreneurs consider changing the Online structure for other types of more appropriate structures that help the involvement of all workers and the entrepreneur has the understanding that delegating is part of a good organisational structure. The stated objective related to the organisational structure can be achieved.

5.1.3 Perception of SMEs' performance

It was found that of the 20 interviewees, 35% had their business go bankrupt after two years due to different circumstances, including lack of customer flow, problems with partners, little investment, lack of processes and investment in technology. While 65% are in operation, which is quite alarming, but it can be assumed that the business is durable despite the problems they face since this percentage of active SMEs have been in existence for at least five years, which agrees with the data presented by the INEGI seen in chapter 2 that if there is growth, however, not at the same rate as the large corporations.

In the same way, a characteristic found is that the businesses that work in the real estate field (type of business venture) are the ones that most presented long-term planning with several areas considered to strengthen their operations in the long term, derived from the fact that they expressed high numbers in their annual sales. At the same time, the SMEs that work in the field of retail (type of business entrepreneurship) are the ones that presented a very high percentage of bankruptcy due to the highly competitive conditions of the market and due to little responsibility with the society created for this type of business. On the other hand, the companies in the service and cultural areas (type of business and cultural entrepreneurship) present the characteristic of little internal organisation that has led them to have problems with their personnel since they are poorly trained and also committed to little influx of clients, so it can be deduced that these factors affect the performance of its internal strategies as a business and to attract clients, and not resolving these details in the long term can result in low durability.

The lack of clients did not only appear in bankrupt SMEs but also in small companies within the sample of interviewees that have managed to survive over the years, which means that the lack of clients possibly derives from inefficiency in marketing strategies and an improvement in the performance of customer service, since many times SMEs have a word of mouth advertising, and if the lack of customers comes to light as a reason for bankruptcy, it leads to a possible deficiency in the service or post-sale care of the product or service provided.

5.1.4 Effect of administration methods on SMEs' performance

Based on the essential functions of the administrative process and according to the data collected in the interviews with various entrepreneurs, it was identified within the small and medium-sized companies that there is the application of different functions of the administrative process, however not the application of the four essential functions described by the author GR Terry (1992).

Planning: In terms of planning, all the interviewees agreed that carrying out planning prior to the business and during the business is important to give direction to the company, however, features were identified that if prior planning is implemented but not during the business. This element being the 3rd most commented element, only some companies in this sector did assume that they need planning to carry out their future projects. However, from others, it was observed that they did not apply it again, which is highly alarming because the leader is aware that planning must be carried out but forgets it at a certain point in the path of business performance.

Organisation: As described by the author, this function is the backbone of a business (GR Terry, 1992), which is why it is equally alarming that within the data obtained, there are signs of disorganisation, and this is somehow causing loss of clients to companies of this sector, especially because within the data obtained there was evidence that the information of the companies depends on a single person and few trained personnel. Suppose there is no delegation of activities and constant training to those involved. In that case, it is impossible to have an effective organisation that leads to better company performance.

Integration: Within the data collected in the surveys, there was an important factor that stood out that refers to the personnel that works in the SMEs, the entrepreneurs of companies in this sector highlighted that the breaks and problems of today's businesses were partly due to low motivation of the employees and lack of training, this being the 2nd most commented topic, so, interestingly, the integration is not being carried out with quality on the part of the employer or the people responsible for recruitment and selection.

Address: A positive aspect of the data obtained in the sample is that there is evidence that the essential management function exists within companies in this sector, but unfortunately, not in all of them. However, it was possible to identify that some businessmen are informed of the areas of improvement, and according to their knowledge, they try to give it direction as much as possible, however, if it is complemented with the other functions, a significant improvement in the performance of companies in this sector could be seen.

Control: The control function represents an important piece to measure the performance of a company (GR Terry, 1992), however, within the data obtained, almost no evidence was observed that control activities are currently being carried out within the data obtained from entrepreneurs interviewed from the SMEs, since it was observed that the entrepreneurs have the notion of how their business is doing at a general level, but not in focused areas such as market strategies or in some cases productivity returns in financial terms. It was even detected that some companies do not have the provisions to face any emergency, which is even more alarming since part of the profits are not being allocated to the generation of provisions.

With all of the above, part of the objectives set for the research are achieved, since the SMEs' performance was identified, administrative methodologies and the position of SMEs in the market.

5.2 Limitations

Some limitation found was that the group of people related to SMEs is quite limited since there is a large number of entrepreneurs whose theories proposed by different authors can be reviewed with their entrepreneurs' experiences. Similarly, the sample size can be more prominent.

In the same way, there is the limitation of generalising to all the companies in the sector, since depending on the type of sector in which a small or medium-sized company operates, they are the type of factors that they face, so some will have clients, but the fact of having clients does not mean that they satisfy their operations, some SMEs need clients with a lot of resources that are difficult to find, so with this example of factors it is difficult to generalise that all SMEs have client problems.

Chapter 6 - Conclusion

6.1 Conclusion

As analysed throughout this work, both in Europe and in Latin American countries, and in the same way in the case of Mexico, where this study focuses, SMEs make up a part essential for their economies. Small and medium-sized companies generate benefits in the economies, such as creating jobs and economic contributions to the national income.

Throughout the research project, it was possible to observe the immense information on the present subject of study and sufficient evidence that the role of Mexican SMEs within the country's economy is an essential link through which many authors and researchers focus their efforts in conducting various research on this topic.

In the hypotheses raised, the durability of SMEs was discussed, which is linked to planning, especially at the beginning of the business, in the same way, the factor of good administration within the performance of a small or medium-sized company. It was observed that the hypotheses raised were accepted, but in the same way, apart from planning aspects and administrative processes such as problems within the SMEs, it is discovered through the data obtained that the personnel that forms part of the workforce of the SME is an element that has the same weight in terms of difficulties due to little training, as the administrative aspects of the company.

The research objectives related to administrative methods, organisational structure, the performance of SMEs, strategic management and planning were achieved but with the limitation of expanding the examination of an SME's perspective in the market.

It was possible to identify that many of the aspects identified by the researchers and institutions involved in the subject were confirmed in the research project. Hence, it is important to consider that for strengthening of the companies in this sector, the entrepreneurs must take severe aspects in the knowledge of administrative areas that make up a company so that they can apply it to each of their companies and thus be able to reduce the

administrative errors that they have today, in the same way, it was possible to observe how the people who make up a business are a crucial aspect so that the performance of a business that, like administrative issues, training becomes a fundamental aspect of having a better team within a business.

Without leaving behind the aspect of planning, although the research project did not leave evidence that if there is an involvement with the planning of a business and entrepreneurs in this sector recognise its importance, there is still a long way to go. to improve the planning of SMEs.

In the same way, it was verified that small and medium-sized companies have more significant opportunities in that they can easily adapt and change in technology, innovations and possibilities to grow and become large companies. Therefore, the identified aspects have a solution within reach of Mexican entrepreneurs since there is the will to acquire knowledge and implement it into their companies and improve exponentially.

6.2 Recommendations

The researcher makes the following suggestions in light of the study's findings:

- **Training**

There are many areas of opportunity in the training part, a leader of an SME must be aware of the team with which he or she works and the process that is carried out for the training staff recruitment since it depends on whether the information will flow normally or there will be future problems when implementing strategies, in the same way, it is necessary for the leader to get involved with the training of his or her workforce due to the size of the company, it is not enough to identify it, an involvement is necessary so that the staff knows why the training is important and where they can apply that knowledge.

- **Market**

The vast majority of the SMEs interviewed presented evidence of a percentage of market knowledge, however with a competition bias, so it is recommended that SMEs get involved in all aspects of a market, such as competitors, substitutes, as well as local and international clients.

- **Customer service**

Within the data obtained, a certain carelessness was detected in the after-sales service with the clients of each SME, it is recommended to carry out post-sales service to establish more lasting relationships with clients since these are the same ones that will be able to offer the SME a safeguard in case of an emergency.

- **Partnership**

It is considered that the fact of establishing a partnership in a small or medium-sized company is not wrong, however, particular focus should be placed on that part, either managing a partnership where the partners have sufficient knowledge of the business they are going to invest in, for what this task is on the part of the entrepreneurs, in the same way, it is considered that a society can be established after a year and a half of operation of the SME since in that way the entrepreneur will have already passed part of his learning curve of the business so that it can be guided and prevents from any situation that arises with society, but the above is only possible with the support of credits that are more accessible to this sector of companies.

6.3 Implications of Study

Despite previous research on the subject of productivity of SMEs in which with the Internet age there is access to much information about it, entrepreneurs continue to have administrative errors and ignorance of all the business areas that a company must have to improve its production and its organisation, which has sometimes led to bankruptcy or no action is taken to improve administrative processes.

So it means that despite all the information available in this regard, business people continue to make the same mistakes, which would be appropriate to try new means of transmitting information so that different generations of business people can be aware of everything that implies a business and the knowledge that must be had, in this process the participation of governments is essential.

Appendix

Table 1.1

Área geográfica	Sector	Subsector	Rama	Tamaño	Valor agregado censal bruto (millones de pesos)	Activos fijos (millones de pesos)	Tamaño promedio de las unidades económicas (número de personas)	Producción bruta total por personal ocupado total (pesos)
Nal.					9 983 800	11 584 082	6	818 646
				0 a 10 pers..	1 462 483	1 264 731	2	239 759
				11 a 50 per..	1 197 957	1 392 074	21	552 516
				51 a 250 pe..	1 865 427	1 835 646	106	945 456
				251 y más p..	5 457 934	7 091 631	819	1 548 768

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