

Flexible strategic planning for the financial management of MSES-2019



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ABSTRACT

Strategic planning provides operational plans supporting a company to achieve its objectives, which is why it is of great importance and more when it is impossible to achieve the objectives due to a competitive environment without any defined plan, also adding products and changing needs required. Each organization, analyzing its strategic planning, seeks to improve its various areas, emphasizing financial management. Therefore, this research raises the influence of the formulation of the strategic plan in financial management in SMEs using instruments for measuring variables. The variables are consumer, supplier, client, and product of the independent variable and cash flow, indebtedness, profitability, and financing of the dependent variable in order to identify the existence of influence between both variables, in a population. 150 microentrepreneurs from the province of Cañete constitute it. The sample was drawn through a non-probabilistic test, obtaining a sample of 150 micro-entrepreneurs from the province of Cañete.

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1. Introduction

In the globalized world, companies seek to evaluate their financial condition by developing strategic plans that allow them to make quick and timely decisions through different analysis methods (Bravo et al., 2017). The pandemic and financial crisis that all countries have suffered worldwide have been exorbitant, thus leading to problems of business reorientation and searches for new activities in markets that are in line with emerging sectors, many of the organizations choose to prepare plans strategic who seek to reorganize their sectors to current needs and benefits for customers and the same companies (Kitsios and Kamariotou, 2019).

At the regional level, Chile is one of the main financial managers at the international level. In addition to its vision of a strategic plan indicating that it is an efficient instrument in management that allows the orientation of efforts and resources, giving priority to the elements aligned with institutional focus, it should be noted that the financial strategic plan was born due to a consultative, participatory and inclusive process of

the organization and a survey completed with customer data because sensitive data always has adverse measures before any unforeseen and more if it was the financial part (Vallaey, 2020).

This is how, in countries like Ecuador, emerging companies seek to protect themselves and evaluate their situation in the market where they operate (Fidelis et al., 2020). While in Peru the application of the strategic plan allows MSEs to compete in the market, setting clear objectives that help them implement adequate financial management (Agyapong et al., 2021) in this way, small companies execute strategic plans based on specific objectives to achieve their development over time (Maldonado and Erazo, 2016).

Small and Medium Enterprises (SMEs) are developing companies within an immensely competitive market that is growing day by day and to remain in it is necessary to adopt new measures that allow SMEs to be above their competitors and to be able to use their resources To achieve this, it is necessary to resort to different strategies that allow knowing the internal and external factors of the company to focus on its financial management and therefore on economic and organizational growth (Salazar, 2016).

The strategic plan in SMEs improves their competitive performance in the market (Ribas et al., 2022). Strengthening its business structure and differentiating it from its competitors (Sumba-Bustamante et al., 2020), in this way financial management is applied that generates value and

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optimizes its results (García-Moreno et al., 2019), considering the strategic objectives to improve the efficient use of its financial resources (Bravo et al., 2017), and identifying existing problems through analysis tools that allow executing an adequate strategic plan (Salazar, 2016) allowing the identification of weaknesses, opportunities, threats, and strengths found in the company (Agwu, 2018) which in turn contributes to the increase in the company's profits (Hull and Lio, 2006).

The authors identified that the economic increase of the GDP of Ecuador had a considerable increase except for 2016 where a contraction was registered due to factors that affected the macroeconomic and microeconomic situation due to the variation of the rate to clients and organizations, which is why that offers as a proposal for sustainability and growth for SMEs in Tulcán-Ecuador. For this, he used a financial management model that involves administrative and financial processes based on improving the level of profits and investment decisions (decision-making). Obtaining as a result of the identification of weak financial strategic management, without adequate investment budgets and high risk in the leverages, the approach of a Balance Scorecard helped in the technical elements of financial strategic planning that help the socially responsible economic growth of the organizations. The authors concluded that passive and traditional financial management with information asymmetry is the main source of inefficiency in the development and sustainability of SMEs (Chege and Wang, 2020).

The authors identified that every organization requires good strategic planning to improve profitability and decision-making since it was generating confusion, lack of direction, and frustration since the SME economy was increasingly declining, for this reason, they conducted an analysis integral to the administrative strategic planning for an organization focused on the sale of textile products. That is why they used a descriptive, bibliographic, and explanatory methodology, as well as a non-experimental cross-sectional type with directed non-probabilistic sampling and a mixed approach due to the analysis between the periods 2016-2018, in addition to data collection using a semi-structured interview with the management, members of the organization and the Balanced Scorecard. They obtained results that the organization did not meet the objectives set 100% due to the non-execution of the proposed goals, this is because they did not indicate priorities in addition to importance in the company, decisions are also made empirically without the correct use of a strategic plan. The authors concluded on the importance of administrative strategic planning based on the variations and updates of recent years, taking into account events and variations in the market (Trelles et al., 2020).

The main objective of the research work is to determine the influence of the formulation of the strategic plan in financial management in SMEs using instruments for measuring variables such as

consumer, supplier, client, and product of the independent variable and cash flow, indebtedness, profitability, and financing of the dependent variable to identify the influence between both variables.

2. Methodology

2.1. Study approach and design

The study has been given from a quantitative, non-experimental, and causal correlational approach.

2.2. Study population and sample

The population is made up of 150 micro-entrepreneurs from the province of Cañete, in which the sample was drawn from the population by means of a non-probabilistic test, obtaining a sample of 150 micro-entrepreneurs from the province of Cañete.

2.3. Data collection technique and instrument

In the study, the data collection technique that was conducted was the survey. Regarding the data collection instrument, a Virtual Questionnaire made by the researcher of this study himself was used, which will determine the independent variable strategic planning and the dependent variable Financial Management of the flexible strategic planning for the financial management of MSEs-2019.

For the independent variable, the reliability of the instrument to be used was conducted where, Cronbach's Alpha was applied using the SPSS version 25, as it is a polytomous instrument (Likert scale-five response alternatives) and a reliability coefficient of 0.849 was obtained. That is a strong reliability of the 9 questions in the questionnaire.

Regarding the dependent variable, the reliability of the instrument was also conducted, where Cronbach's Alpha was applied using the SPSS version 25, as it is a polytomous instrument (Likert scale-five response alternatives) and a coefficient of 0.871 of reliability that is, strong reliability of the 10 questions in the questionnaire.

2.4. Place and application of the instrument

The virtual survey was conducted to determine the flexible strategic planning for the financial management of MSEs by microentrepreneurs in the province of Cañete. To start the data collection process, it was coordinated with the microentrepreneurs of the province of Cañete to voluntarily participate in the research work.

3. Results

Results of the independent variable Strategic Planning are as follows.

According to Fig. 1, with respect to the independent variable strategic planning that 16.9% (n=22) present a low level, 52.3% (n=68) a medium level, and 30.8% (n=40) a high level.

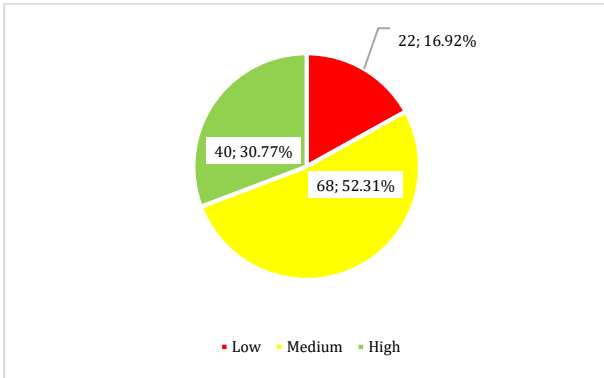


Fig. 1: Flexible strategic planning for the financial management of MSEs-2019

According to Fig. 2, with respect to the consumer dimension, 16.2% (n=21) present a low level, 48.5% (n=63) a medium level, and 35.4% (n=46) a high level.

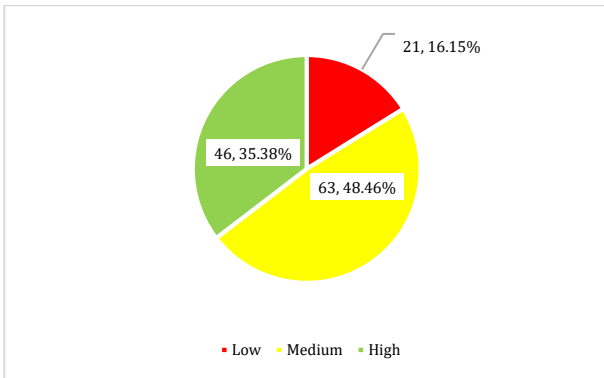


Fig. 2: Flexible strategic planning in its consumer dimension for the financial management of Mypes-2019

According to Fig. 3, it is had with respect to the provider dimension that 16.9% (n=22) present a low level, 49.2% (n=64) a medium level, and 33.8% (n=44) a high level.

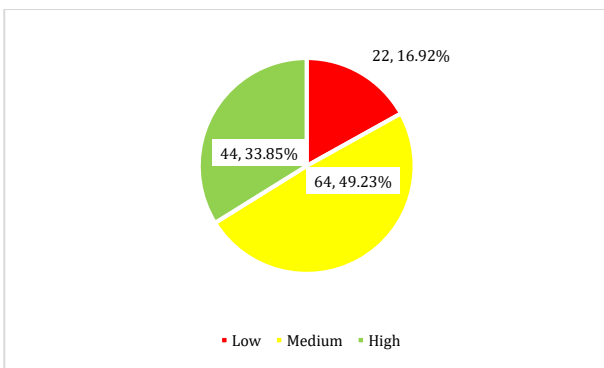


Fig. 3: Flexible strategic planning in its provider dimension for the financial management of Mypes-2019

According to Fig. 4, with respect to the client dimension, 16.2% (n=21) present a low level, 50.0% (n=65) a medium level, and 33.8% (n=44) a high level.

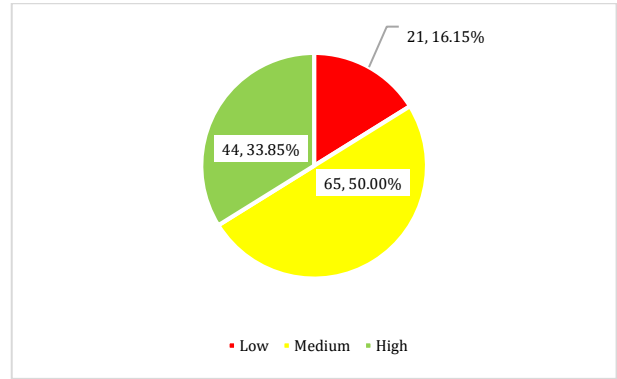


Fig. 4: Flexible strategic planning in its client dimension for the financial management of Mypes-2019

According to Fig. 5, it is had with respect to the product dimension that 20.8% (n=27) present a low level, 45.4% (n=59) a medium level, and 33.8% (n=44) a high level.

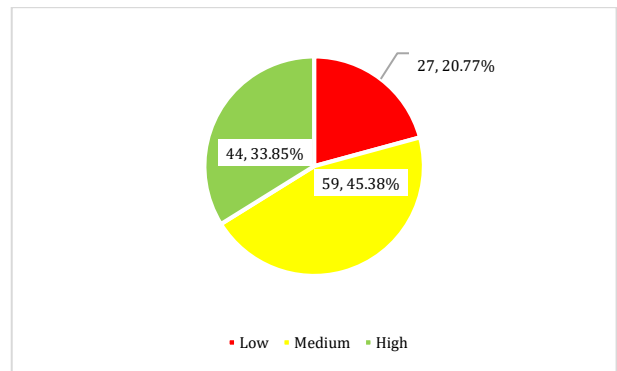


Fig. 5: Flexible strategic planning in its product dimension for the financial management of Mypes-2019

According to Fig. 6, with respect to the dependent variable financial management that 17.7% (n=23) present a low level, 47.7% (n=62) a medium level, and 34.6 % (n=45) a high level.

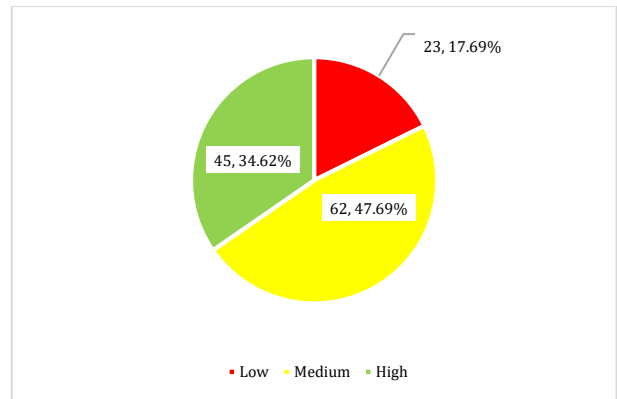


Fig. 6: Financial management for the financial management of MSEs-2019

According to Fig. 7, it is had with respect to the cash flow dimension that 19.2% (n=25) present a low level, 60.8% (n=79) a medium level, and 20.0% (n=26) a high level.

According to Fig. 8, with respect to the indebtedness dimension, 20.0% (n=26) present a low level, 43.8% (n=57) a medium level, and 36.2% (n=47) a high level.

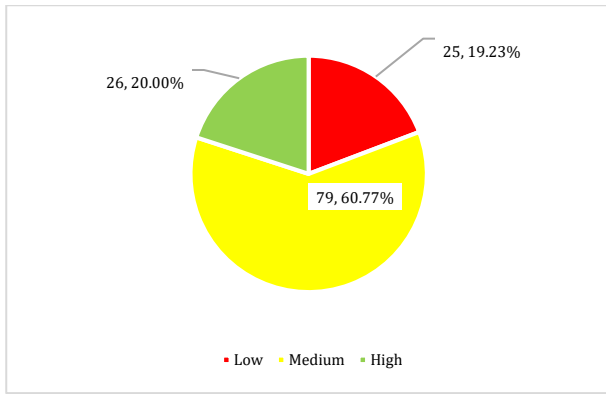


Fig. 7: Financial management in its cash flow dimension for the financial management of Mypes-2019

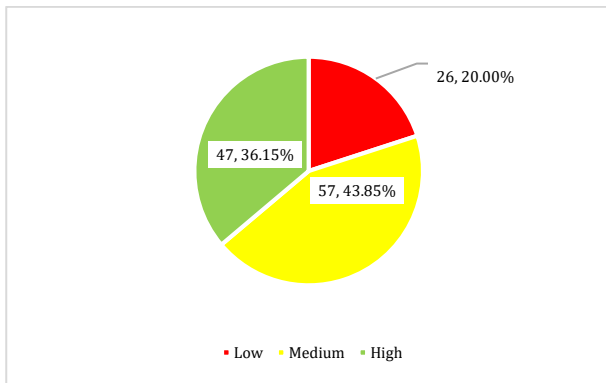


Fig. 8: Financial management in its indebtedness dimension for the financial management of Mypes-2019

According to Fig. 9, it is had with respect to the profitability dimension that 19.2% (n=25) present a low level, 44.6% (n=58) a medium level, and 36.2% (n=47) a high level. According to Fig. 10, with respect to the financing dimension, 20.0% (n=26) present a low level, 43.8% (n=57) a medium level, and 36.2% (n=47) a high level.

3.1. Correlation analysis between variables and dimensions

According to Table 1, the non-parametric Rho-spearman statistical test was applied for the correlation analysis between the variables and the dimensions. The value of sig=0.00 implies that the data are statistically significant and that there is a high degree of association.

4. Discussion

According to the results obtained in this research work, it is of great importance to evaluate different areas and verify their weak points where correction measures are taken into account in order to obtain the objectives that are outlined according to the plan of the main goal of microenterprises, as well as those of the short, medium and long term, of which strategic planning can be executed by evaluating the personnel working in the microenterprise.

Likewise, Saymeh and Orabi (2014) concluded that it should be taken into account that financial leasing is very important for a microenterprise since it is used as a tool where it allows to carry out

financial management, in such a way that, before applying financial leasing when an economic and financial evaluation is carried out, it must be verified that the microenterprise has a low level of liquidity and that it has a high percentage in terms of the commercial accounts that are You must transact so that a comparison can be made for previous sales.

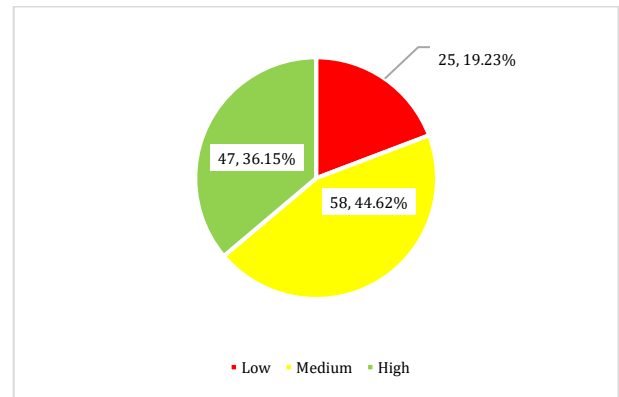


Fig. 9: Financial management in its profitability dimension for the financial management of MSEs-2019

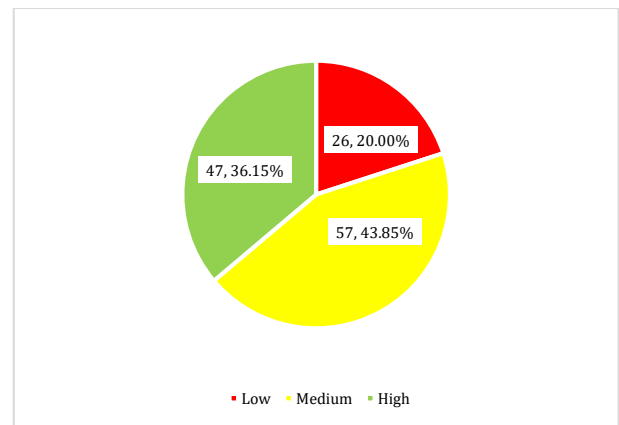


Fig. 10: Financial management in its financing dimension for the financial management of MSEs-2019

A similar result is Mendoza (2015) that concluded companies have to bear a strategic plan not only for management to comply with organizational requirements but also because it is communicated with the entire organization's staff creating joint action for the development of goals, each employee will take into account where they want to go and will be committed to following that path.

Also, Heredia-Calzado and Duréndez (2019) concluded that in order to have an efficient strategic plan it is necessary to invest more in research and development and innovation activities in order to prevent and solve problems in the different stages of the process and create products of greater value for the market. A similar result is Tontini et al. (2016), who concluded MSEs are organized according to the criteria of their own owners, for this reason, it is difficult for them to excel in a business way due to the lack of professionalization and training. In addition to indicators for improving quality and productivity, therefore the micro-entrepreneur lacks a broader vision of their possibility of development

as a business unit, also Kukalis (1991) concluded in the implementation of growth, profitability, and sustainability strategies suggested that will allow the divisional management of machinery and structures

services to achieve their strategic objectives in the different scenarios and assertively communicate the strategic objectives to the collaborators in order to achieve your full total commitment.

Table 1: Correlation between strategic planning and financial management

		Strategic_planning	Financial_management
Spearman's Rho	Strategic_planning	Correlation Coefficient 1,000	.911**
		Sig. (Bilateral) 0	.000
		N 130	130
Financial_management		Correlation Coefficient .911**	1.000
		Sig. (Bilateral) .000	0
		N 130	130

** : The correlation is significant at the 0.01 level (bilateral)

For this reason, it is important that the strategic plans of MSEs develop a proposal for improvement that allows them to be competitive within the market that today is one of the challenges for MSEs, therefore it is worth highlighting the objectives that are established to be able to achieve that objective through improvements in organizational structure and teamwork.

5. Conclusion

Often many of the microenterprises or MSEs are based on the group of families who seek to structure it, although the founders are not aware that the need presented by their company is that of professional personnel and the positions that relatives fill who are not fit for the position.

MSMs have proven to be an extremely useful strategy to unite microentrepreneurs, especially as they generate higher income for the MSM economy. This way of working supplies a certain amount of metalworking parts divided into batches and delivered in a time previously agreed with the client. This legal agreement grants them benefits that are distributed proportionally according to the production capacity of each one. The idea of the consortium is that they work together as "a single company."

Compliance with ethical standards

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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