Financial strategies, the professional development of employers and performance of SME's (AGUASCALIENTES case).

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Abstract

The present investigation aim to identify strategies to increase the performance and development of SMEs and is considered the professional development of entrepreneurs in financial aspects such as liquidity management and corporate leverage, that can help in improving these and allow their permanence in the market since it is known that a high percentage of SMEs fail to overcome the barrier of the two years; in this research has demonstrated through the application of statistical models in 125 SMEs in the State of Aguascalientes Mexico, such as linear regression and ANOVA, that there is a strong positive relationship between financial management aspects such as liquidity and leverage and increased performance of SMEs,

1. SMEs account the economic platform of our country under currently employing 62% of the economically active population and contributing 41% of national GDP and account for 99% of the number of operating companies, is why our concern for searching tools for development and retention, the finance function involves a critical factor for

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effective operation and this research will address the issue of finance as means or knowledge that the entrepreneur must master to ensure the development of SMEs, starting to present some Outlook data information representing SMEs in Mexico.

Table 1

<table>
<thead>
<tr>
<th>Economic Impact of SMEs</th>
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<tr>
<td><strong>Source:</strong> Small and medium size enterprises OECD June 2002</td>
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<td><strong>As shown in the graph SMEs represent a significant contribution to the economies of countries, since their contribution is very high in terms of GDP, employment and number of firms, as this involves the livelihoods of millions of families who depend on permanence of SMEs to ensure their survival and that of their families</strong></td>
</tr>
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</table>

2 LITERARY REVIEW.

2.1 Professional Development.

As an important part of professional development of entrepreneurs in SMEs, then presented from research articles commenting on a need for professional development in the accounting and financial field allowing the growth and permanence of SMEs.

Tunkele. et.al (2011), discussed in his study of forestry SMEs in the European Union, the role of small and medium enterprises (SMEs) in the development of the economy becomes more important since it can bereorient rapidly changing economic situation, and are the main guarantee of being in the regional scale. Although these companies are different SME's in the European Union. meet several similar difficulties. One of the main problems is the lack of SME management skills causing difficulties to ensure efficient management of enterprises. The aim of his research was to study the skills needed for employers to carry out their functions in small and medium forest enterprises European Union (SMFE Forestry SMEs). The task of the research was to identify the problems facing management SMFE in daily activity. To get results, used the method of qualitative interview and survey data and methodology are evaluated and well-established criteria.

Dorasamy, et.al (2010) mention in their study of SMEs in Malaysia, the challenges faced by companies in maintaining the competitive edge in the business world have become a major concern. Companies are adopting technologies and best practices to address the frequent global changes. Several functions of the company are being redesigned for this purpose. Accounting functions play an important role in helping companies maintain a competitive edge paper. However, some small and medium enterprises (SMEs) face fundamental problems of management accounting functions. This is predominantly due to his inexperience; accounting functions not only require knowledge of generally accepted accounting standards or tax laws, but also the need to apply the rules in a given business environment (Everaert, Sarens and Rommel, 2006) experience. They discussed the possibility of outsourcing accounting functions, as there is limited data in this area in the context of Malaysia. In essence, they found empirical evidence on the practices of accounting outsourcing by SMEs in Malaysia and conducted a survey to identify the SMEs overview of outsourcing with respect to accounting and third party organizations. Factors contributing to the decision to outsource accounting functions were analyzed. The study revealed a significant relationship between the roles of outsourcing accounting and two contributing factors, risks and management of the operation.
Mengyun et Jie (2012) indicate in their study on SMEs in China, with the development of market economy and the rapid growth of economic globalization, the limitations in the management model of private high-tech SMEs in China gradually emerge as constraints for the development of family firms is given. The funding, capital integration, especially the integration of human capital are important to highlight in family-owned businesses issues. Therefore, how to efficiently introduce professional management mechanisms of private high-tech SMEs and how to solve the vacancy of trust are two of the main problems for private high-tech SMEs and presents the characteristics of private high-tech SMEs, and the shortcomings of the professional management companies owned by the family are discussed, the problems of job confidence in management, which prevents effective integration between professional management, the mechanism of trust and high technology, which is "growth-tech" SMEs.

Nagaraju. B. et.al., (2013) discussed in his research in India which financial services are vital in the development of vibrant SME sector. However access to financial services in this sector remains severely restricted. Lack of access to finance is often cited by SMEs as a barrier to growth. Commercial banks are the oldest institutions that have a wide network of branches and increased public confidence and have the major share in total banking. Often commercial banks consider financing of SMEs as risky and costly to meet due to lack of adequate resources, low capitalization, vulnerability to markets and lack of accounting records. The study attempts to analyze the loans of commercial banks to priority sectors and non priority sector lending, to identify problems and prospects of SME lending. E indicates that overcoming the challenges that exist, resulting in a great opportunity for commercial banks, showing a large market to serve and make loans to SMEs profitable banking operation. Additionally the SME have multiple banking needs. This in turn can provide excellent opportunities in other banking operations. Commercial banks should be proud to serve an important sector of the economy, which is the key growth engine of the economy of India.

Torlak. et.al (2005), in his research on SMEs in Turkey, mentioned that small businesses have a growing need for effective marketing recipes that lead to improved performance and viability during the recession, recovery, and peak periods of business cycles. The owner / manager has to find a way to understand the essential characteristics of effective marketing of goods and services from small businesses. To this end, in your research analyzed the nature of the market and pricing in small businesses, and how the invitation is built to the customer and sell their products and services as well as the appropriate factor of customer credit is established. Thus, the document resulting from their research is an attempt to shed some light on the marketing strategies used by the owner / manager of small business; which is an important field, but very sloppy.

The references cited above, indicate that training in business management and linking teachers sector and the productive sector is essential for the development of micro, small and medium enterprises as mentioned, are the platform of the economies of developed and developing countries.

3 FINANCIAL ASPECTS TO BE CONSIDERED IN THE DEVELOPMENT OR PERFORMANCE OF SMEs.

3.1 Liquidity.

Liquidity is a term that demonstrates the ability to pay, the companies have to meet its short-term and often measured through the working capital according Gitman (1996), is the difference between current assets and or short-term liabilities is also defined as current assets financed by long-term liabilities; All in illiquid is impossible for a firm and especially SMEs can survive given the low level of capital that for their operations. Skomp (1978), consider the amount of liquidity and capital to meet expenses in a given period of time that can be insured by the initial capital and cash generated from normal operations in a given period of time without consider the sale of fixed assets and obtaining external funding.

To the extent that SMEs can control the key elements that promote liquidity and inventory turnover and accounts receivable, as well as maintaining positive working capital and generate a significant profit margin on the cost, will be more likely to have liquidity for their operations, increasing performance and therefore the possibility of subsistence.

Back (2005) in relation to liquidity, measured the financial aspects of the companies based on indexes not such as late payments that better explain the causes of financial problems, such as high leverage and illiquidity, which have even led to the bankruptcy of enterprises and especially SMEs by low operating capital.

From this information we can conclude that payments culture is important in entrepreneurs to maintain healthy business economy, establishing priorities according to their ability to pay, in the execution of these, employees, suppliers, treasury, etc.
Liquidity, income, less debt and operating efficiency, reflect, they have higher profits, businesses and greater liquidity, demonstrating that support the operation itself is better than debt to achieve higher profits. Dromms (1979) the pharmaceutical industry in the United States, closed or were sold large number of businesses, due to low sales and this is associated with the use of financial ratios and decision-making and successful businesses and is also observed that the analysis financial indexes is not a systematic analysis of past performance. Thomas III (1987).

If the operation is supported with funds generated from the operation itself, this becomes a more healthy management policy than borrowing which causes the increase in the cost of the operation, making the business less profitable and decreasing their chance of survival.

3.2 Leverage
Debt, best known as leverage defined by Weston et al. (1987), as the proportion of funds that have provided bank or commercial creditors.

SMEs involved in a very significant way in economic output and employment, but have a high mortality rate, the main causes of premature death can be; the size of the initial enterprise, lack of income and debt, as well as external factors such as economic growth of the sector in which they operate, or the geographical location of this, the initial size, financial performance, activity sector economic, have a positive impact, but there is an inverse relationship between leverage and business survival, implying that debt is more risky for the survival of SMEs factor. Sandoval (2008).

The ratio of the number of banks operating are related with business performance, since the return on assets decreases when the number of banks which it operates increases. Castelli (2006)
Domestic financing maintains a positive relationship with business growth and growth has a positive effect with formal financial institutions not to informal sources of financing. Saeed (2009).

3.3 Financial Ratios Analysis
The most commonly used financial ratios to measure performance in the following companies are, ROA (return on assets), ROI (Return on Investment), NPV (Net Present Value) and UNDI (Profit after tax), these indices are high application in medium and large companies, The VPN is defined as a method of valuation of projects that compares the value of Investment with project performance to present value.

This utility UNDI is determined: (Net income / Sales) and the index recommended is at least 5%. In the SME sector of 25 to 250 workers applying these indices is limited by the lack of related information, however should be done to the extent you have obtained this information because information such as ROI (Return on Investment) we can provide the time required to recover the investment and the rate of NPV (net present value) that provides information such as the value of the return on investment to appraise the appropriateness of an investment or not.

4.PERFORMANCE
4.1 SMEs performance Elements
Have identified different ways of measuring performance in SMEs and then have different factors that lead to successful performance of SMEs raised by various researchers.
The degree of innovation in products, processes and management systems have a positive influence on performance, as well as the survival and competitiveness of SMEs, based on the success factors such as innovation, value added services, technology, quality and information society. Marin and Garcia Perez de Lema et.al (2007),

The performance measures, which are the resources generated operating income, economic profitability, operating profit and financial performance, are performance measures to measure the performance of SMEs. García Pérez de Lema and Miñarro (2006)
The average number of earnings before interest and taxes, quality of products or services, introduction of innovations, productivity of labor, customer satisfaction with products or services, knowledge and experience in business, motivation / satisfaction employees and reputation and image of the company is recognized as explanatory factors of competitive success of SMEs, and considered more relevant, the financial, technological edge, innovation, marketing capabilities, management of human resources and technologies of information and communication. Antonio Aragón Sánchez and Alicia Rubio Bañón (2005)

To measure the success of SME's studied in Ville Hochimin South Vietnam, considered, among others, the elements are listed below. Trinh Minh Hien (1999).

Elements of Measurement:
1. More than two years of existence.
2. Growth of market share.
3. Workplace Safety and good atmosphere among staff.
5. Marketing a new product or service.
7. Existing Utilities.
8. Contribution to the improvement of the environment social.
9. Dignity associated staff successful entrepreneur or leader.

The basis of the success of micro enterprises in the country are: technological innovation, aggressive marketing strategies, the culture of the business, the quality of products or services, political stability, bank loans, financings and family business conduct, which were reflected in the success as perceived by the Vietnamese entrepreneur are: High level of profits, greater market share, export products, workplace safety, employee benefits packages, environmental improvement and social pleasant work environment.

5. HYPOTHESIS.

The hypothesis in this research is as follows:

Hypothesis; A greater financial management of liquidity and leverage, improved performance of SMEs. As suggested Dromms. (1979), in his research, which showed that financial support in the operation itself is more profitable than to generate greater financial leverage and liquidity, to achieve higher profits.

6. RESEARCH OBJECTIVE.

As Objective of this research have raised the following goals; Identify the influence of the financial management aspects such as liquidity and leverage the performance of these.

6.1 Objetivos specific.

Identify, financial aspects like liquidity and leverage for to know which of them have more influence on improving the performance of SMEs.

7. RESEARCH METHODOLOGY

7.1 Type of Study

The research conducted is quantitative, using the method of Linear Regression analysis, ANOVA and frequency analysis, the research is also transactional, because surveys are at a moment in time in 2009; exploratory, descriptive and explanatory correlational, since the causal relationships between variables are sought. (Schmelkes 1998).

The research design is not experimental, so that none of the dependent and independent variables are manipulated.

This research is aimed at analyzing the influence of the administration of financial issues such as liquidity and leverage as well as the internationalization of SMEs and their effect on the performance of these, the universe of SMEs are taking the SIEM (Mexican Enterprise Information System, 2009).

Taking a representative sample of this population, which was 125 SMEs, selecting them randomly, from different business sectors of the state of Aguascalientes and its municipalities.

For the research quantitative tools were used to achieve test the hypothesis raised on the Influence of the administration of financial and internationalization of SMEs and their influence on the performance of these.

8. INFORMATION COLLECTION

The collection of information is directly, through interviews with the owner or person responsible for SMEs, as most of the questionnaire data collection, are the only enterprise level business managers handle; surveys were implemented in the first half of 2009.

The definitive collection instrument was designed based on the related literature and indicators of both dependent and independent variables to achieve identification of the existence of the influence of the administration of financial and internationalization of SMEs based in the response of employers, at their discretion and the definition of the causes of SME's performance, industry, according to the responses of the entrepreneurs themselves; applying the Likert scale to measure the results of 1-5, with 1 being strongly disagree and 5 strongly agree, the questionnaire was applied to a sample of 125 SME's. different business sectors of Aguascalientes.

9. RESULTS OF THE INVESTIGATION.
As the first results of the investigation, we present the No.1 table, showing the average of the different aspects of performance measured as applied in a Likert scale, where 1 is least important and 5 is the most important, which stand out as performance factors with the greatest impact seen by employers; Customer satisfaction and quality of products and services.

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Product Quality /service</td>
<td>4.02</td>
</tr>
<tr>
<td>2.- Customer Satisfaction</td>
<td>4.02</td>
</tr>
<tr>
<td>3.- Image of the company and its products and services</td>
<td>3.96</td>
</tr>
<tr>
<td>4.- Truancy Reduction Work</td>
<td>3.94</td>
</tr>
<tr>
<td>5.- Speed of adaptation to the needs of markets</td>
<td>3.93</td>
</tr>
<tr>
<td>6.- Efficient internal business processes</td>
<td>3.89</td>
</tr>
<tr>
<td>7.- Organization staff task</td>
<td>3.89</td>
</tr>
<tr>
<td>8.- Reducing Staff Turnover</td>
<td>3.82</td>
</tr>
<tr>
<td>9.- Increased Productivity</td>
<td>3.74</td>
</tr>
<tr>
<td>10.- Increased market quote</td>
<td>3.66</td>
</tr>
<tr>
<td>11.- Grounds Worker Satisfaction</td>
<td>3.63</td>
</tr>
<tr>
<td>12.- Increased Profitability</td>
<td>3.54</td>
</tr>
</tbody>
</table>

Source: Own calculations based on analysis results
SPSS frequencies in a scale of 1 = not important and 5 = Very important

Table. 3
Significance of Variables
Managing finances vs. performance.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>R</th>
<th>R. square</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Administration</td>
<td>.436</td>
<td>.190</td>
<td>21.741</td>
<td>.000***</td>
</tr>
</tbody>
</table>

Statistically significant differences: (*) p<0.1; (**)p<0.05, (***)p<0.01
Dependant Variable: Performance

The above table indicates the existence of a high positive relationship between the Department of Finance and Performance SMEs and the R square is above the .160 indicated by Cohen and Cohen (1983) for 5 independent variables and a sample of 125 surveys and the significance level is below .01 at 95% confidence level, so that may explain the increased business performance of SMEs through the adoption of the Financial management as a form of management.

Table. 4
Significance of Variables step by step.
Performance vs. Finance Management
In table 4, we see that the introduction of each of the dependent variables (performance), they demonstrated greater relative to the variable Independent Finance Administration, which indicates a high influence between the Finance Administration and increased performance in each of the factors identified as performance in SMEs in Aguascalientes Mexico, as it can be seen that the significance is less than .05 indicated in the introduction of each of the variables tested which is significant at a confidence level of 95% explaining the relationship of each of the dependent variables with the independent variable "Finance Administration", except 3302 identified as the dependent variable "Efficiency in internal business processes" that is unrelated to the Managing finances to stay no longer included in the test step by step presented in the table above.

10. DISCUSSION AND CONCLUSION.

As shown in the present study, through the application of UNIVARIABLES statistical models, demonstrated high positive influence between the administration of the financial aspects as leverage and liquidity, increased performance of SMEs, thus H1 hypothesis is demonstrated, raised in this research, also demonstrated through empirical evidence collected, the training of entrepreneurs in the management and administration of SMEs, is essential for the development and performance of these companies, concluding that it is recommended as a business practice, rely on the resources generated by the operation itself and avoid excessive debt, impacting on loss of liquidity for the payment of the interest on the loans acquired; and this practice represents a viable alternative to
improve the performance of SMEs by promoting their development and retention, achieving the objectives stated in the research hypothesis to be proved.

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