



## Adaptation of the canvas model as a competitive tool for the Msmes of Lázaro Cárdenas, Michoacán

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### Abstract

Micro, small and medium-sized enterprises play an important role in the Mexican economy, mainly in the generation of jobs and their contribution to the gross domestic product. The national development plan 2012-2018 sees them as a strategic lever for national development and the generation of well-being. However, government support has not been sufficient, in part because of the effects of the recent global economic crisis. Therefore, it is necessary to look for different strategies that contribute to their development, avoiding their stagnation and in many cases disappearance. In response to this problem, the present research was born with the purpose of contributing to these economic units by adapting the Canvas business model as a tool that contributes to its competitiveness.

**Keywords:** Competitiveness. Canvas model. MSMEs. Business plan.

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### Introduction

Micro, small and medium-sized enterprises are of great importance in the economy and in employment at national and regional level, in both industrialized and less

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developed countries. Currently the global economic slowdown, including Mexico, generates high unemployment rates, representing micro, small and medium enterprises, an alternative to generate new sources of work and contribute to economic development in its area of influence.

Currently faced with the country's uncertainty as a result of the massive deportation of immigrants and the renegotiation of the North American Free Trade Agreement, the MSMEs require besides government support for their development, strategies that contribute to their competitiveness, thus generating new entities and the growth of existing ones, thus favoring indicators on employability.

The Canvas model to generate a business plan is an easy-to-use tool designed to add value and contribute to business success. One of the main characteristics of MSMEs is that they are family businesses and are generally run by one or more of their members, lacking a formal structure and the necessary knowledge to establish processes that develop their competitiveness, in an increasingly globalized environment. This simple, precisely-tailored application model can become an alternative for new or existing entrepreneurs to visualize and shape a successful business plan.

However, business models are a response in a given time and space, meeting the needs identified by the authors, but represents a basic tool for their adaptation in different economic, social and cultural environments and scenarios. This is how the idea of researching and adapting the Canvas method for its application in Lázaro Cárdenas, Michoacán's MSMEs was born as a tool that contributes to its competitiveness.

## Background of the MSMEs

In Mexico, in the official newspaper of the Federation of December 30, 2002, the law was published for the development of competitiveness of micro, small and medium enterprises, with the objective of promoting national economic development through the promotion of creation of micro, small and medium enterprises and support for their viability, productivity, competitiveness and sustainability. Likewise, they increase their participation in the markets, within a framework of growing production chains that generate greater national added value. This law is still enforced, which makes evident the interest in strengthening its competitiveness in the face of increasing globalization. However, support programs have been insufficient. What is required in principle is to know the characteristics and needs of MSMEs, in order to establish strategies that contribute efficiently to their competitiveness.

This law aims to promote the employment and social and economic well-being of all participants in micro, small and medium-sized enterprises. One of the priority challenges of the last administrations in Mexico. According to INEGI data, the growth of the economy has been around 2.3 in the year 2016 and in previous years the behavior has been similar, reflecting a comparative deficit with the inflation index that during that period was 3.36%.

A. According to data from the last census presented by INEGI, in the city of Lázaro Cardenas, Michoacán, there are 4,816 MSMES distributed in the main strategic activities as follows:

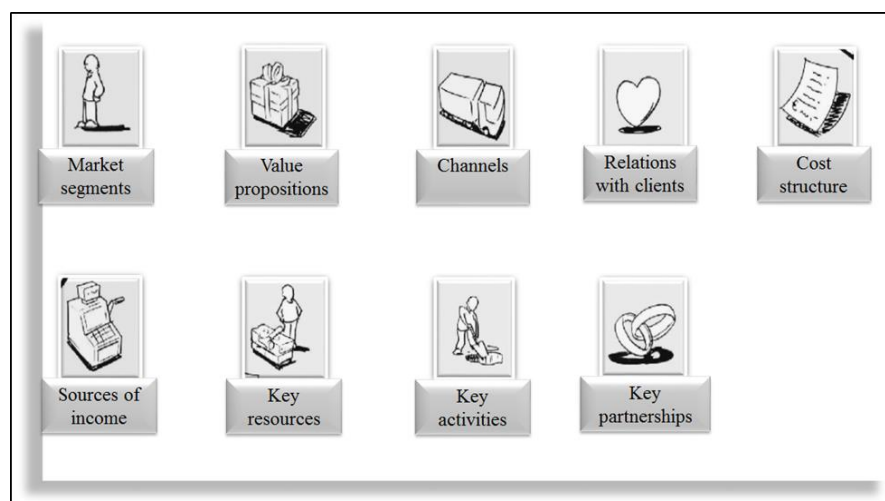


Figure 1: The nine modules

Source: Osterwalder & Pigneur (2011).

Considering the data indicated in the above table 1, micro-enterprises or retail trade represent a figure of 3,645 units, which corresponds to 76% of the total number of establishments considered. This justifies that this group of companies is encouraged to consolidate and grow, benefiting the economic environment of the region and the country, through governmental economic and administrative support, modeling tools that are easy to apply and allow to boost their development and competitiveness.

One of the major challenges today is job creation, given the levels of growth of the economy in recent years in the country, as well as the adverse scenario in the face of US immigration policy; all this forces to look for options of employability and internal growth, which require taking advantage of the resources available. Mexico is a country with a very high concentration of smaller companies, especially of the so-called micro, which are 95% of the total of companies and absorb 41.83% of the total employed personnel. In grouped terms, the PMMEs generate 73% of the total employment (GÓNGORA, 2013).

### Characteristics of MSMEs in Mexico

In order to understand more precisely the integration of this group of companies, it is necessary to address them individually, as described below:

#### Microenterprises

Microenterprises according to the stratification published in the Official Journal of the Federation on June 30, 2009, considers those with up to ten workers and income up to four million pesos. A large number of these companies are in the informality for several reasons: firstly because of lack of control on the part of the different governmental levels, followed by the lack of a true simplification in the payment of taxes and fulfillment of fiscal obligations. In addition, to its previous grouping in organizations that are used for political purposes. All this contributes in its lag and its little contribution in the growth of the region and the Country. As for employment as

mentioned, they play an important role. However, such employability also falls into informality due to lack of official control.

It is said that in terms of employment, microenterprises fall into informality, since they do not have a formal registration with federal, state and local authorities, which means that these types of companies do not provide the basic benefits, such as; Social security, vacations, vacation bonus and profit sharing. Likewise do not contribute to the payment of taxes. During the first quarter of 2016, 29.1 million people made up informal employment, more than half of the employed population, representing a growth of 1.5% compared to the same period of 2015, according to the National Survey of Occupation and Employment, 2016).

### **Small businesses**

According to the stratification in Mexico of the micro, small and medium enterprises, are included as small those that employ from 11 to 30 workers, in the case of commercial activities and from 11 to 50 jobs in industry and services, and in terms of income, from 4 to 100 million pesos for the two sectors. These types of establishments, due to tax provisions, mainly due to their level of income and control needs, as well as verification programs of the authority, are registered before the tax administration system, in the same way for the purposes of granting the social security benefits, however, like micro-enterprises, lack the administrative and financial systems that allow them a sustained growth and development in their competitiveness.

### **Medium enterprises**

As for medium-sized enterprises according to the stratification referred to and mentioned below, in the commerce sector are those that have 31 to 100 workers, for services from 51 to 100 and the industrial sector from 51 to 250. With respect to revenues from 100 to 250 million pesos per year in the three activities described. Considering the strategic activities according to the last economic census carried out by the National Institute of Statistics and Geography, in 2009 there are 75 establishments in the City of Lázaro Cárdenas Michoacán. The stratification of micro, small and medium enterprises referred to in the previous paragraphs came into force by agreement published in the Official Journal of the Federation of June 30, 2009, in accordance with the criteria established therein.

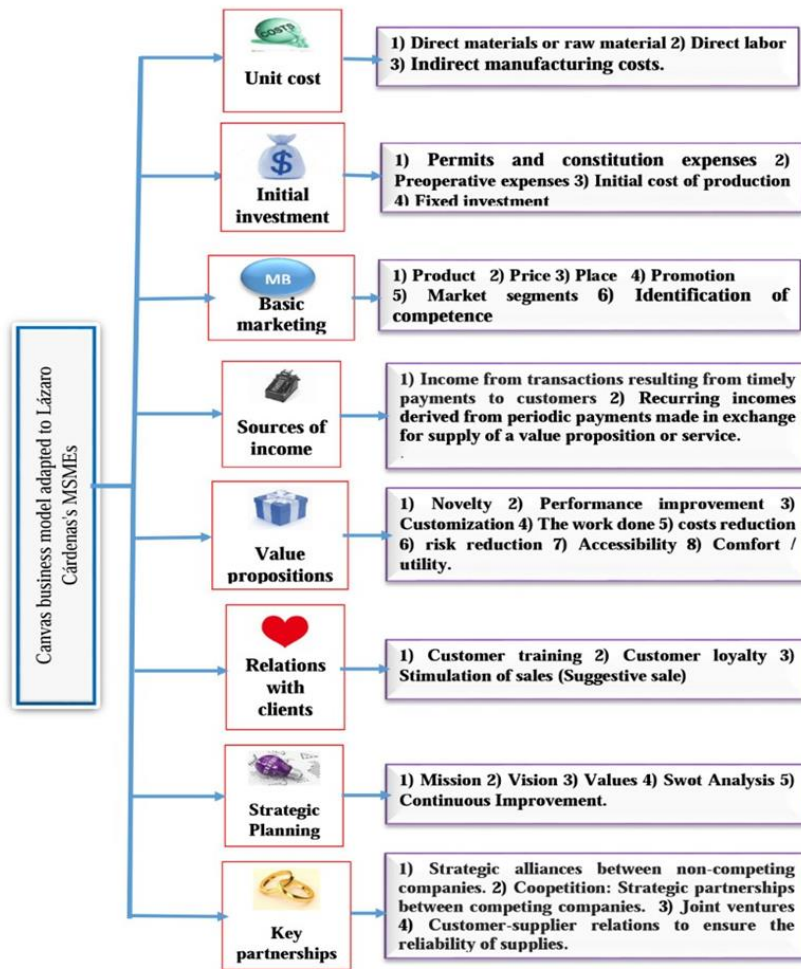


Figure 2. Analytical Canvas business model adapted to Lázaro Cárdenas's MSMEs  
 Source: Own elaboration based on Canvas model of Osterwalder & Pigneur (2011).

The agreement indicates that micro, small and medium-sized enterprises are a fundamental element for the economic development of countries, both for their contribution to employment and for their contribution to the Gross Domestic Product. They constitute, in the case of Mexico, more of the total economic units of the country, accounting for about 52% of the Gross Domestic Product and contributing to generate more than 70% of formal jobs. In specifying that these data refer to formal employment, it means that they are identifiable establishments in terms of a domicile, but does not guarantee compliance with their obligations regarding labor benefits, as well as tax contributions, opening an opportunity to facilitate their integration into the formality.

**Approach and delimitation of the problem**

The current work of research seeks to highlight the relevant role of the MSMEs in the Mexican economy, mainly in the generation of jobs, as well as a strategy to develop their competitiveness, the Canvas model through an adaptation of the same, attending to the needs and characteristics of the economic environment of Lázaro Cárdenas, Michoacán, in such a way that it contributes to the economic growth of the region and the country. From the above, the following question arises: Will the adaptation of the Canvas model serve as a competitive tool for Lázaro Cárdenas, Michoacán's MSMEs?

### **Objective of research**

Adapt the Canvas model as a business plan tool for Lázaro Cárdenas, Michoacán's MSMEs to enable them to develop their competitiveness.

### **Assumptions of research**

The identified problem allows the establishment of the following assumptions:

- 1) MSMEs are more competitive by adopting the adapted Canvas model, as a business plan tool.
- 2) If MSMEs do not adopt business plan tools like the adapted Canvas method, they will hardly prosper and remain in the market.

### **Justification**

In recent years, in Mexico, taking into account the large number of establishments MSMEs, represent, they have aroused the interest of different levels of government, seeking to establish support mechanisms for their development, without the results being solved to date the problem they face. Micro, small and medium-sized enterprises play an important role in the economic development of nations in both industrialized and less developed countries, as is the case in Mexico (Senado, 2002).

According to the National Survey on Productivity and Competitiveness of Micro, Small and Medium Enterprises, presented by the National Institute of Statistics and Geography (INEGI), the National Institute of Entrepreneurs (INADEM) and the National Bank of Foreign Trade (BANCOMEXT), corresponding to 2015, according to the results, 97.6% of the companies considered are micro-enterprises and concentrate 75.4% of the personnel employed. These figures reflect the importance of this economic sector and the need to seek its consolidation and growth, as a response to the low levels of growth of the national economy in recent years, as well as a way to strengthen employment. The following table 3 shows the occupancy numbers:

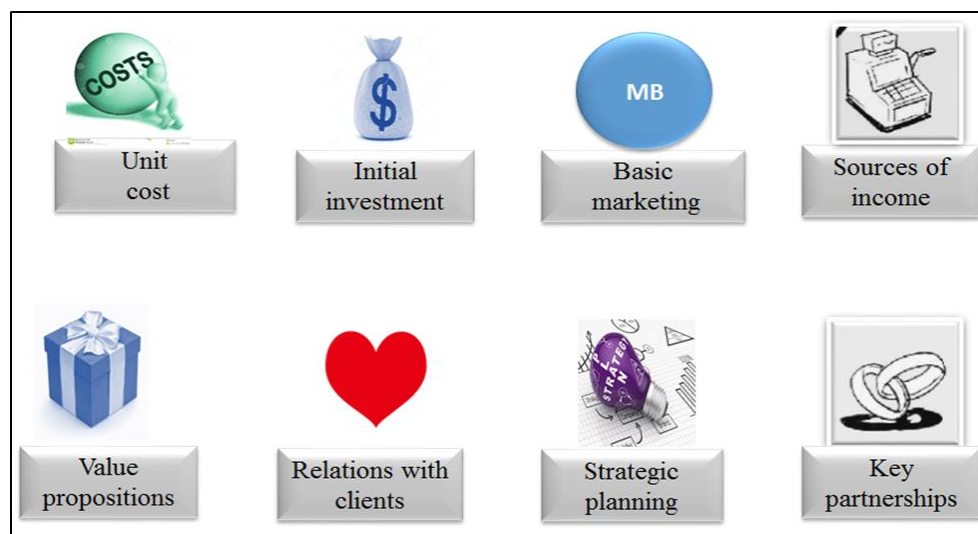


Figure 3. Canvas business model adapted to Lázaro Cárdenas's MSMEs  
Source: Own elaboration based on Canvas model of Osterwalder & Pigneur (2011).

The micro companies from the numerical point of view, reveals their outstanding participation by the number of establishments and 75.4% of the total personnel occupied by the MSMEs. The small ones represent 2% of this group and their contribution to the employment is 13.5% of the total, surpassing the mediums that contribute only with the 11.10% in this item. This information strengthens the need to attend these establishments, through strategies that ensure their permanence, growth and competitiveness, thus influencing internal growth levels, as well as meeting the job demands of the new generations in Mexico.

The Canvas model for its design is practical and simple to apply. However, the environment of Lázaro Cardenas and the country with particular characteristics requires a molding that is applicable to new and established MSMEs, facilitating the development of a business plan that guides the course of the same, avoiding the improvisation that puts at risk their results in the short, medium and long term.

## Theoretical conceptual framework

### Canvas model

The Canvas model created by Alexander Osterwalder is a visual tool composed by a rectangle divided into nine blocks that transforms the proposal of services or products into economic resources (De Oto, 2016). The Canvas model was created in order to establish a logical relationship between each of the components of the organization and all the factors that influence whether or not it is successful. Through a "Canvas" is detailed from the business idea, to the different factors that will influence it at the moment of putting it into action (Ferreira D. C., 2015).

The business model is divided into nine basic modules covering the four main areas: customers, supply, infrastructure and viability. These nine modules are: (Osterwalder, 2012).

- 1) Market segments: mass, niche market, diversified, multilateral. This module defines the different groups of persons or entities to which a company is directed.
- 2) Value propositions: novelty, performance improvement, personalization, "work done", design, brand / status, price, cost reduction, risk reduction, accessibility, convenience / utility. This module describes the set of products and services that create value for a specific market segment.
- 3) Channels: direct, indirect, proprietary and business partners. It explains how a company communicates with different market segments to reach them and provide them with a value proposition.
- 4) Relations with clients: personal assistance (exclusive or not), self-service, automatic services, communities, collective creation. It describes the different types of relationships established by a company with certain market segments.
- 5) Sources of income: asset sales, usage fee, subscription fee, loan / lease / rent, licensing, brokerage expenses, advertising. It focuses on the cash flow generated by a company in different market segments (to calculate the benefits, it is necessary to subtract the expenses to the income).
- 6) Key resources: physical, intellectual, human and economic. This module describes the most important assets for a business model to work.
- 7) Key activities: production, problem solving, platform / network. Consider the most important actions that a company must take to make its business model work.
- 8) Key partnerships: optimization and economy of scale, reduction of risks and uncertainty, purchase of certain resources and activities. Describes the network of suppliers and partners that contribute to the operation of a business model.
- 9) Cost structure: fixed costs, variable costs, economies of scale, field economies. This last module describes all the costs involved in starting up a business model.

The previous modules proposed by Osterwalder (2012), for the generation of business models covers four main areas; Customers, supply, infrastructure and financial viability. For your better understanding the following figure 1 is presented. The modules are reflected in a Canvas, in order that the participants can comment on the business model. This proposal is extremely practical. However, as already mentioned, it is necessary to adapt it to the micro-enterprises of Lázaro Cárdenas, Michoacán, considering their particular characteristics and the environment in which they are developed.

An important point that does not consider this proposal, is the one related to the initial investment, information necessary for projects of new companies. It is also important to consider the strategic planning in order to identify the direction of the organization. Another important point to consider is the determination of the unit cost, since it is the starting point of a competitive sale price, the structure of the same is mentioned, however its integration is not necessary.

A business plan is a document written in a simple and precise way, which is the result of planning. This document shows the objectives to be achieved and the activities that will be developed to achieve those objectives (Andía & Paucara, 2013). It is a detailed summary of the business, the products and services provided, the



business operations carried out, what the future plans are, and the financing to have and what it is required for the business development (Banco de la Nación, 2013). A business plan is a guide for the entrepreneur or entrepreneur. It is a document that describes a business, analyzes the market situation and establishes the actions that will be carried out in the future, along with the corresponding strategies that will be implemented, both for promotion and for manufacturing, if it were a product (Ferreira DC, 2015).

## Competitiveness

Competitiveness is defined as the quality of the economic and institutional environment for sustainable development of private activities and increased productivity. At the company level, the capacity to maintain and strengthen their profitability and participation of MSMEs in the markets, based on advantages associated with their products or services, as well as the conditions in which they offer those (Cámara de Diputados, 2016). Competitiveness is the set of institutions, policies and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be earned by an economy (Forum, The Global Competitiveness Report, 2014).

Competitiveness is what allows a company to be successful in the country in which it operates. A company is competitive when it develops services and products whose costs of production and quality are comparable or superior to that of its competitors around the world. It has to have a physical, legal and regulatory environment that contributes to reduce production costs and raise productivity (Cervantes, Ballesteros, & Hernández, 2012).

Competitiveness can be analyzed from two perspectives: First, as a set of factors that determine the level of productivity and, secondly, as a determinant of the sustained increase of the well-being of the people. From these perspectives, regional competitiveness can be defined as the management of resources and capacities to sustainably increase business productivity and the well-being of the region's population (Benzanquen, Del Carpio, Zagarra, & Valdivia, 2010).

## Micro, small and medium-sized enterprises

Businesses are a source of income for workers, suppliers, government and entrepreneurs, promote the economic development of the society, contribute to the sustainability of public services, represent a means for personal fulfillment or satisfaction and encourage training and skills development, as well as investment and capital formation (Münch, 2006). In the Mexican tax sphere, according to the Fiscal Code of the Federation (2016), a company is considered to be a natural or legal person who carries out commercial, industrial, agricultural, livestock, fishing or forestry activities either directly, through a trust fund or through a conduit Of third parties.

In accordance with the law for the development and competitiveness of micro, small and medium enterprises in Mexico, it is defined as micro, small and medium enterprises, legally constituted, according to the number of workers, based on the stratification established by the Ministry of Economy, in agreement with the Ministry

of Finance and Public Credit and published in the Official Gazette of The Federation, starting from the following:

## Methodology

For the development of the current investigation, the methodology used is an empirical approach with qualitative analysis, based on electronic, literary and scientific sources, as well as government statistical information, thus obtaining information considered useful for the study, by its degree of contribution to the problem to be solved. It is considered a descriptive study because it seeks to specify the properties, characteristics and profiles of individuals, groups, communities, processes, objects or any other phenomenon that is submitted to an analysis (Hernández, Fernández, & Pilar, 2014).

In this study, as a dependent variable the MSMES of Lázaro Cárdenas, Michoacán and as independent the adaptation of the Canvas model as a tool of business plan that allows them to develop their competitiveness.

## Analysis of results

As previously stated, the Canvas model needs to be adapted to Lázaro Cárdenas, Michoacán's MSMES, considering their particular characteristics and the environment in which they are developed. The proposed modules are reflected in a Canvas, in order that the participants can visualize and comment on the business model.

This proposal is extremely practical. However, as already mentioned, it is necessary to adapt it to the micro-enterprises of Lázaro Cárdenas, Michoacán, considering their particular characteristics and the environment in which they are developed. An important point that does not consider this proposal is the determination of the unit cost, since it is the starting point of a competitive sale price, the structure of the same is mentioned in the Canvas model. However, its integration is not required. Nor does it contemplate data relating to the initial investment, information necessary for projects of new companies. It is also essential to consider basic marketing, although it is true in this model is considered but in a partial way. Finally, the strategic planning is necessary in order to identify the course that the organization has to take.

These proposed points are described below:

### Unit cost

Especially for industrial MSMEs companies, it is important to integrate each of the elements that make up the cost per unit produced, as well as the services, to be in possibility once the distribution charges are added, to establish a competitive sales price, to guarantee an appropriate profit margin. For its determination, the following elements are involved:

- 1) Direct materials or raw material. It is composed of the materials or raw material to be transformed, can be quantified easily and physically identified in each unit produced. The raw material is an important element in the elaboration of a product, since all the materials are susceptible of transformation, which gives rise to a product

elaborated different from the conjugated materials and which have full identification with the article produced (Parra, 2009).

2) Direct labor. It consists of the wages and benefits that the production worker receives, that is to say, the one that intervenes directly in the transformation of the materials. The labor represents the effort of the human work that is applied in the elaboration of the product. The labor force, as well as the raw material, is classified in direct and indirect labor. Direct labor is the labor effort applied by workers who are physically related to the production process, either by manual action or by operating a machine (Sinisterra, 2011).

3) Indirect manufacturing costs. It includes concepts such as indirect labor, depreciation of machinery and equipment, maintenance, as well as those expenses that are small and that for their implementation many of them are prorated. In addition to labor and raw materials, there are other types of indirect costs that are needed to manufacture the product or provide the service. They include the costs of the facilities, the equipment used to manufacture the product or provide the service and other support equipment, such as that used for handling materials (Blocher, Stout, Gary, & Chen, 2008).

Commercial companies do not have to integrate the previous concepts, since the products that acquire the purchase price is known as the acquisition cost, which will be added to the distribution costs and the profit margin, in order to determine the sales price. To the extent that these concepts are known, it is possible to optimize them, which translates into greater competitiveness in the market.

### **Initial investment**

To start a new micro, small or medium enterprise, it is important to know the capital needed to start it, mainly to define the origin of these resources, either by contribution from the owners, financing by banking or government institutions, and if applicable a combination of these, to be used primarily for:

1) Permits and constitution expenses. In this section are considered concepts like the notary expenses for the constitution, licenses, permits and registrations before federal, state and local authorities.

2) Preoperative expenses. Expenses to be incurred prior to commencing operations, such as; hiring of services, deposit for rental of real estate, previous advertising, salaries, consulting services, among others.

3) Initial cost of production. It is the quantification of the initial production, in his case the inventory necessary to start operations, in the case of commercial businesses. The establishments that transform raw materials or semi-finished products also consider these concepts, direct and indirect salaries, payment of taxes derived from wages, expenses such as: light, maintenance of equipment, etc. These costs need to be paid and that are concerned to know, in order to have sufficient resources, until the moment the recovery of cash begins for the realization of sales and services. That is, to keep the entity going until the generation of its own resources.

4) Fixed investment. It consists of the fixed assets necessary to carry out the main activity, which are acquired with the intention of being used such as production machinery, land, buildings, transport equipment, furniture, computer equipment Etc.

By having this information, it is possible to quantify the economic resources necessary to start the new company, as well as to define the origin of the resources, either by contribution of the investor (s), if applicable by financing or the combination of both.

## Basic marketing

The product or service to be placed on the market needs to be preceded by strategies that contribute to its success. Although it is true that there are concepts from previous decades that have been modified by scholars, however, they remain the point of marketing. That is the case of the 4 P's or mix of marketing, which in the model proposed as basic marketing, is added with market segments raised in a separate module by Osterwalder & Pigneur (2011), as well as the identification of the competence that in the following paragraphs is explained in a simple way to facilitate its understanding and application by the MSMES, as a strategy for their development. The Marketing Mix is defined as a group of marketing tools that are combined to produce the desired response to the target market (Kotler, 2010).

1) Product. Product is any object or thing susceptible to buy or sell, however, there are important aspects to consider before marketing such as the brand, packaging, presentation, advertising phrase and logo among others, that must be planned in such a way that they have a positive impact on the consumer and that contribute to the identification of the good or service and the protection of the same. In addition to make sure the use of name, to register it, in its case to avoid legal problems to use one already existing in the market.

2) Price. For the consumer, the monetary part is important, linking it with the required quality and of course comparing it with the one offered by the competition, in such a way that it must be competitive and it also includes the margin of utility intended by the entrepreneur. In this case, the starting point in the search of alternatives for the optimization of costs. However, in this section the MSMES must also define the form of payment, be it bank transfer, deposit into account, cash or credit card. Currently, electronic money is widely used in Mexico, partly supported by current tax regulations, which require the use of these means to cover acquisitions and expenses that are intended to be deducted from taxes.

3) Place. In this section, the entrepreneur must analyze and decide how the consumer gets his products, i.e. the appropriate distribution channel according to its own characteristics, looking for it in the appropriate time and manner, without this process having a significant impact on the sales price. It can be shops, direct sales, online, distributors, etc. The location and ease of access to the establishment are very important factors to take into account for better results.

4) Promotion. For any business, it is essential to identify the means to be known, mainly with the market to which it is directed, considering the different habits of the consumers to consult information before making the purchase, such as; Internet, radio, newspaper, exhibition at trade shows, personalized promotion etc. Kotler

(2010) rightly states that companies must communicate with current and potential customers, without leaving to chance what they want to communicate. So important is to spread and what it is wanted to make known, to get the consumer to be convinced and make a decision that is favorable.

5) **Market segments.** As Osterwalder & Pigneur (2011) puts it, companies must select, with a reasoned decision, the segments to be addressed and, at the same time, those that will not take into account. Once this decision has been made, a business model based on a thorough knowledge of the specific needs of the target customer can already be designed. It is definitely crucial that MSMEs identify who their potential customers are, where they direct their product or service, as well as the capacity of the target market's demand. This information will provide relevant information on its market feasibility.

6) **Identification of competence.** Just as it is important to know the market to which the product or service is directed, it is important to know who and how many competitors, what are their strengths, which are offering to improve them, the quality of their goods and services. MSMEs, when they have knowledge of this, clearly understand that they need to be able to compete and penetrate the market, without their incursion resulting from improvisation.

In the nine modules proposed by Osterwalder & Pigneur (2011), in relation to the value proposition, points such as price, design and brand are addressed. Also in relation to the channels, the aspects concerning the distribution and sale are exposed. However, by practical aspects, it is easier to combine in a single section as presented in the basic marketing that is proposed, taking into consideration that the MSMEs in Mexico are directed by a family member or in any case do not have an administrative structure that offers multidisciplinary knowledge, being necessary to facilitate their assimilation.

## Strategic planning

Every organization needs to know its rationale, where to go in order to achieve its objectives, to know internally its capacities and the situation that prevails in the market, that is so propitious or in its absence the turbulences that are presented. Basically, the MSMEs define in this section the following:

1) **Mission.** Every business has an activity to develop, which registers as an integral part of its constituent document or registration with different government agencies, but beyond the activity is to understand the reason for being the same, the reason for its existence and that each member to know and identify with it, so that it becomes a purpose of the organization. The mission is the *raison d'être* of the organization, its formulation is a stage of the most important in the planning process; it is a broad definition of the purpose of the organization and the description of the business to which the company is dedicated (Munch, 2013).

2) **Vision.** Every organization must glimpse its future, as seen in the short, medium and long term. The vision corresponds to the desired future of the organization. Munch (2013), defines it as the statement that describes the desired state in the future. It provides direction and forges the future of the organization by stimulating concrete actions in the present. It is necessary that the organizational objectives,

short, medium and long term, are expressed in a specific way, to facilitate their control over their execution and results. This will make it easier for MSMEs to be sure of the course they should take and to establish preventive or corrective measures in a timely manner, considering the various scenarios that are presented throughout their life cycle.

3) Values. The values instilled in organizations are the governors of the actions of their members; they represent the source of the organizational culture. It defines the set of principles, beliefs, rules that regulate the management of the organization. They constitute the institutional philosophy and the support of the organizational culture. The basic objective of the definition of corporate values is to have a frame of reference that inspires and regulates the life of the organization and therefore what is being asked both of the employees of the same, as in customer service (Morales, 2014).

4) SWOT Analysis. It is a tool for MSMEs to analyze internally their qualities in the same way their fragility as an organization and of course it is also a way to explore the environment to visualize its relevance and the challenges to face. These types of companies have great strengths, which ultimately define their success, so it is important to know them to exploit them to the maximum, taking into account the weaknesses that in their case constitute an obstacle in the achievement of their objectives.

The SWOT analysis is a diagnostic tool used by a company or organization with the purpose of intervening professionally both in the formulation and application of strategies and in its monitoring to make an evaluation and control of results. It consists of an evaluation of the strong and weak factors, which diagnose the internal situation of an organization, as well as the external evaluation, marked by opportunities and threats (Valda, 2012).

5) Continuous improvement. It is a concept from the previous century, however, organizations are currently facing a very popular competition in the markets, the changes occur in a very dizzying way, a situation that forces MSMEs to establish a philosophy focused on increasing the quality of the product or service as well as optimize the processes so that they satisfy the needs and requirements of the clients, thus managing to preserve them and attract new ones. The SWOT analysis identifies the weak points for establishing solutions, through strategies such as training, review of processes, controls, etc., to raise productivity.

It is important to establish a management system for quality that is clearly oriented to processes and continuous improvement. Organizations will achieve leadership as long as they have the ability to maintain the excellence of their processes and commit themselves to the constant development of their objectives, always oriented to the satisfaction of their clients (García, Quispe, & Páes, 2003).

The proposed model is made up of eight modules, including unit cost, initial investment, basic marketing and strategic planning, retaining Osterwalder & Pigneur's (2011) revenue source, value proposition, customer relationship and partnerships Key, remaining as follows:

In the previous figure comparing it with the one proposed by Osterwalder & Pigneur (2011), the following modules were suppressed:

1) Key activities

- 2) Cost structure
- 3) Key resources
- 4) Market segments.
- 5) Channels

The tasks corresponding to them were included in the sections that were added, in a more specific way, facilitating their application and understanding, mainly considering the characteristics of those who lead the LMEs in Lázaro Cárdenas, Michoacán, the following are the modules that were added:

- 1) Unit cost
- 2) Initial investment
- 3) Basic Marketing
- 4) Strategic planning

The proposed business model keeps an order according to the information needs that are occupied for its proper application, likewise can be translated into a Canvas to facilitate its development, as presented in figure 3, containing the main data, for each module to disaggregate the specific information mentioned and summarized in figure number 2.

## Conclusions and recommendations

MSMEs, because of their contribution to the Mexican economy, represent an important development factor, mainly due to the different challenges to be faced in the renegotiation of international trade agreements with the United States and Canada, as well as the migration policies in march with the country of the north. Therefore, these companies also require stimuli to ensure their development, strategies that allow them to know their business model in a systemic way, visualizing the main processes that comprise it in order to analyze them, understand them and direct their efforts to achieve their objectives within an atmosphere of certainty.

To this end, the present research concluded with the adaptation of the Canvas model to Lázaro Cárdenas' MSMEs, Michoacán, as a strategy to generate their competitiveness, considering a simple development for their better understanding, taking into account that these companies are directed by a single person who performs different activities and is usually a member of the family. That is to say, they do not have an organizational structure that guarantees specialized multidisciplinary activities. However, through the proposal presented, in a simple way, the strategic points that develop the vital activities of the organization embodied in a Canvas model can be approached. With the above contribute in the development of its competitiveness.

The Canvas model adapted to Lázaro Cárdenas's PMYMs can be used in any organization, even to be modified according to the characteristics of each environment; the case may be, to the prevailing economic, political and social reality, since economies are not static, changes continue to occur, so the proposals are susceptible to changes and adaptations. In terms of results, it is recommended that these establishments, mainly micro-enterprises, are integrated into the formality as part of the taxpayer base, simplifying their incorporation, so that the benefits are reflected in the employability with respect to the benefits that are deriving and collecting taxes in a fair

and equitable manner, without incurring additional burdens or complex compliance processes.

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Received: 16/01/2018

Approved: 04/15/2018