



ADAPTATION OF THE CANVAS MODEL AS A COMPETITIVE TOOL FOR MSMEs IN
LÁZARO CÁRDENAS, MICHOACÁN.

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Summary.

Micro, small and medium-sized companies 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 considers them as a strategic lever for national development and the generation of well-being. However, government support has not been sufficient, in part due to the effects of the recent global economic crisis. Therefore, it is necessary to find different strategies that contribute to its progress, avoiding stagnation and in many cases disappearance. In response to this problem, this research was born in order to contribute to these economic units, by adapting the canvas business model,

Keywords: Competitiveness, canvas model, mpymes, business plan

I. Introduction.

Micro, small and medium-sized companies, according to INEGI, are of great importance in the economy and in employment at the national and regional level, both in industrialized countries and those with a lesser degree of development. Currently, the global economic slowdown, including Mexico, generates high unemployment rates, representing micro, small and medium-

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sized companies, an alternative to generate new sources of work and contribute to economic progress in its area of influence.

Currently, given the uncertainty that the country is experiencing due to the massive deportation of immigrants and the renegotiation of the North American free trade agreement, the mpymes also require government support for their development, strategies that contribute to their competitiveness, thus generating new entities. and the growth of existing ones, thus favoring employability indicators. Small and medium-sized companies, according to data from the business coordinating council, (2017) 70% of these companies close before reaching the age of 5 and only 11% reach 20 years of operations.

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-owned companies 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. This simple application model, precisely adapted, can become an alternative for entrepreneurs of new companies or existing ones, to visualize and shape a successful business plan.

However, business models are a response in a specific time and space, meeting the needs identified by the author of the same, but they represent a basic instrument for their adaptation in different economic, social and cultural settings and settings. This is how the idea was born to investigate and adapt the canvas method for its application in the mpymes of Lázaro Cárdenas, Michoacán, as a tool that contributes to its competitiveness.

2. Background to MSMEs

In Mexico, in the official newspaper of the Federation on December 30, 2002, the law for the development of the competitiveness of micro, small and medium enterprises was published, with the objective of promoting national economic development through the promotion of creation of micro, small and medium-sized companies and support for their viability, productivity, competitiveness and sustainability. Likewise, increase its participation in the markets, within a framework of growing production chains that generate greater national added value. This law is

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still in force, which shows the interest in strengthening its competitiveness in the face of increasing globalization, however, the support programs have been insufficient, what is required in principle is to know the characteristics and needs of the mpymes,

This law aims to promote employment and social and economic well-being for all participants in micro, small and medium-sized enterprises. One of the priority challenges of the last administrations in Mexico, since according to INEGI data the growth of the economy has been in the order of 2.3 in 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 the latest census data presented by INEGI, in the city of Lázaro Cárdenas, Michoacán, there are 4,816 mpymes distributed in the main strategic activities, as follows:

Table 1. MPYMES in Lázaro Cárdenas in strategic activities.

Exercise	Number of establishments
Building	54
Manufacturing industries	731
Wholesale trade	193
Retail trade	3,645
Transport	193
Total	4,816

Source: self made

Considering the data reported in the table above, micro-companies or retail trade represent a figure of 3,645 units, which corresponds to 76% of the total number of establishments considered. The aforementioned justifies that this group of companies be promoted so that they consolidate and grow, benefiting the economic environment of the region and the country, through economic and administrative government support, modeling tools that are easy to apply, that allow them to boost their development and competitiveness.

One of the great important challenges currently, is represented by job creation, given the growth levels 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 us to look for options of employability and internal growth, which requires taking advantage of the resources available. Mexico is a country with a very high

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concentration of smaller companies, especially the so-called micro companies, which are 95% of all companies and absorb 41.83% of all employed personnel. In grouped terms, MSMEs generate 73% of total employment (Góngora, 2013).

B. Characteristics of mpymes in Mexico.

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

1) Micro businesses

According to the stratification published in the federation's official newspaper on June 30, 2009, micro-enterprises consider those with up to ten workers and incomes of up to four million pesos. A large number of these companies are in informality for various reasons, firstly due to a lack of control by the different government levels, followed by the lack of a true simplification in the payment of taxes and compliance with fiscal obligations. In addition to the above, its grouping into organizations that are used for political purposes. All this contributes to its lag and its little contribution to the growth of the region and the Country. Regarding employment as mentioned, they play an important role,

It is commented that in terms of employment, microenterprises fall into informality, as they do not have a formal registration with federal, state and local authorities, which causes that this type of companies does not provide basic benefits, such as; social security, vacations, vacation premium and profit sharing, likewise do not contribute in 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, which represents a growth of 1.5% compared to the same period in 2015, reported the National Survey of Occupation and Employment(Forbes, 2016).

2) Small companies

According to the stratification in Mexico of micro, small and medium-sized companies, those that employ 11 to 30 workers are understood as small, in the case of commercial activities and 11 to 50 jobs in industry and services activities, in terms of income. from 4 to 100 million pesos for the two sectors. This type of establishments, due to tax provisions, mainly due to their income

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level and control needs, as well as the authority's verification programs, are registered with the tax administration system, in the same way for the purposes of granting Social security benefits, however, like micro-enterprises, lack administrative and financial systems that allow them sustained growth and development in their competitiveness.

3) Medium businesses

As for medium-sized companies, according to the aforementioned stratification and mentioned later, those with 31 to 100 workers are considered in the trade branch, dealing with services from 51 to 100 and the industrial branch from 51 to 250. Regarding the income of 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-sized companies referred to in the preceding paragraphs, came into force through an agreement published in the official journal of the federation on June 30, 2009, in accordance with the criteria established therein.

Table 2: Stratification of micro, small and medium companies

Tamaño	Sector	Rango de número de trabajadores	Rango de monto de ventas anuales (mdp)	Tope máximo combinado*
Micro	Todas	Hasta 10	Hasta \$4	4.6
Pequeña	Comercio	Desde 11 hasta 30	Desde \$4.01 hasta \$100	93
	Industria y Servicios	Desde 11 hasta 50	Desde \$4.01 hasta \$100	95
Mediana	Comercio	Desde 31 hasta 100	Desde \$100.01 hasta \$250	235
	Servicios	Desde 51 hasta 100		
	Industria	Desde 51 hasta 250	Desde \$100.01 hasta \$250	

* Combined Maximum Cap = (Workers) X 10% + (Annual Sales) X 90%.
Source: Official Gazette of the Federation (2009).

In the aforementioned agreement, it indicates that micro, small and medium-sized companies 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, constituting, in the case of Mexico, more 99% of the total economic units of the country, representing around 52% of the Gross Domestic Product and contributing to generate more than 70% of formal jobs. By specifying that these data refer to formal jobs, it means that they are identifiable establishments in terms of a residence, however, it does not guarantee compliance with their obligations regarding labor benefits, as well as tax contributions, opening a opportunity to facilitate their integration into formality.

3. Approach and delimitation of the problem

This research work seeks to highlight the relevant role that mpymes play in the Mexican economy, mainly in the generation of jobs, and the canvas model is proposed as a strategy to develop its competitiveness through its adaptation, attending to the needs and characteristics of the economic environment of Lázaro Cárdenas, Michoacán, in a way that contributes to the economic growth of the region and the country. The following question arises from the above: Will the adaptation of the canvas model serve as a competitive tool for the MSMEs of Lázaro Cárdenas, Michoacán?

A. Research objective

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Adapt the canvas model as a business plan tool for the MSMEs of Lázaro Cárdenas, Michoacán, allowing them to develop their competitiveness.

B. Research assumptions

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.

4. Justification

In recent years in Mexico, SMEs, taking into account the large number of establishments they represent, have aroused interest on the part of the different levels of government, seeking to establish support mechanisms for their development, but to date the results have not solved entirely the problems they face. Micro, small and medium-sized enterprises play an important role in the economic development of nations, both in industrialized countries and in those with a lesser degree of development; as is the case of Mexico (Senate, 2002).

According to the National survey on productivity and competitiveness of Micro, Small and Medium-sized Enterprises, presented by the National Institute of Statistics and Geography (INEGI), the National Institute of the Entrepreneur (INADEM) and the National Bank for Foreign Trade (BANCOMEXT), corresponding as of 2015, according to the results, 97.6% of the companies considered are micro-companies and concentrate 75.4% of the employed personnel. 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 shows the numbers in terms of occupation:

Table 3. Number of companies by size and personnel employed

Size	Business		Busy Personnel
	Number	Participation (%)	Participation (%)
Micro	3,952,422	97.6	75.4
Little	79,367	2.0	13.5
Median	16,754	0.40	11.10
Total	4,048,543	100.0	100.0

Source: National Institute of the Entrepreneur (2015).

Micro companies from the numerical point of view, reveals their outstanding participation due to the number of establishments and 75.4% of the total personnel employed by MSMEs. The small ones represent 2% of this group and their contribution to employment is 13.5% of the total, surpassing the medium ones, which only contributes 11.10% in this area. This information strengthens the need to serve these establishments, through strategies that ensure their permanence, growth and competitiveness, thus influencing internal growth levels, as well as meeting the job demand of new generations in Mexico.

The canvas model due to its design is practical and simple to apply, however the environment of Lázaro Cárdenas and the country with particular characteristics, requires a molding that is applicable to newly created mpymes and those already established, facilitating development of a business plan that guides their course, avoiding improvisation that puts their results at risk in the short, medium and long term.

5. Conceptual theoretical framework

A. Canvas model

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The canvas model created by Alexander Osterwalder is a visual tool made up of a rectangle divided into nine blocks that transforms the proposal of services or products into economic resources. (From 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 it is successful or not. Through a "canvas" it is detailed from the business idea, to the different factors that will influence it when it is launched.(Ferreira DC, 2015).

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

1. Market segments: mass, niche, diversified, multilateral. This module defines the different groups of people 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, comfort / utility.This module describes the set of products and services that create value for a specific market segment.
3. Channels: direct, indirect, own and commercial partners. It explains how a company communicates with the different market segments to reach them and provide them with a value proposition.
4. Customer relations: personal assistance (exclusive or not), self-service, automatic services, communities, collective creation. The different types of relationships that a company establishes with certain market segments are described.
5. Income sources: asset sales, usage fee, subscription fee, loan / rental / leasing, licensing, brokerage fees, advertising. It focuses on the cash flow that a company generates in the different market segments (to calculate the benefits, it is necessary to subtract the expenses from the income).

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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. Considers the most important actions that a company must take in order for its business model to work.
8. Key associations: optimization and economy of scale, reduction of risks and uncertainty, purchase of certain resources and activities. It 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 implementing a business model.

The previous modules proposed by Osterwalder (2012), for the generation of business models cover four main areas; clients, offer, infrastructure and financial viability. For better understanding they are presented in the following figure:



Figure 1: The nine modules

Source: Osterwalder & Pigneur (2011).

The previous modules are captured on a canvas, so that participants can comment on the business model. This proposal is highly practical, however, as previously mentioned, it is necessary to adapt it to the MSMEs of Lázaro Cárdenas, Michoacán, considering their particular characteristics and the environment in which they are developed. An important point that this proposal does not consider is the one related to the initial investment, necessary information for projects of new companies, and it is also important to consider strategic planning in order to identify the direction of the organization. Another relevant 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 required.

B. Business plan

A business plan "is a document written in a simple and precise way, which is the result of planning. This document shows the objectives that are to be achieved and the activities that will be carried out to achieve those objectives" (Andía & Paucara, 2013).

It is a detailed summary of your company, the products and services it provides, the commercial operations it carries out, what its future plans are, and the financing it has and the one it is requiring for its business evolution. (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, together with the corresponding strategies that will be implemented, both for promotion and for manufacturing. if it were a product(Ferreira DC, 2015).

C. Competitiveness

Competitiveness is defined as the quality of the economic and institutional environment for the sustainable and sustainable development of private activities and the increase in productivity; and at the company level, the ability to maintain and strengthen their profitability and participation of

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MSMEs in the markets, based on advantages associated with their products or services, as well as the conditions in which they are offered. (Chamber of Deputies, 2016).

Competitiveness is defined as 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 production and quality costs are comparable or higher than that of its competitors around the world. There must be a physical, legal and regulatory environment that contributes to reducing production costs and increasing productivity. (Cervantes, Ballesteros, & Hernández, 2012).

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

D. Micro, small and medium enterprises

Businesses are a source of income for workers, suppliers, government and entrepreneurs, promote the economic development of society, contribute to the maintenance of public services, represent a means for personal fulfillment or satisfaction, and promote training and skill development, as well as investment and capital formation (Münch, 2006).

In the Mexican tax field, according to the federal tax code (2016), a company is considered the natural or legal person that carries out commercial, industrial, agricultural, livestock, fishing or forestry activities either directly, through a trust or through from third parties.

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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-sized companies, legally constituted, according to the number of workers, based on the stratification established by the Ministry of Economy, in common agreement with the Ministry of Finance and Public Credit and published in the Official Gazette of the Federation, starting from the following:

Table 4. Stratification by number of workers of the Ministry of Economy in common agreement with the Ministry of Finance and Public Credit.

Stratification by number of workers			
Sector / Size	Industry	Commerce	Services
Micro	0-10	0-10	0-10
Little	11-50	11-30	11-50
Median	51-250	31-100	51-100

Source: Law for the development and competitiveness of micro, small and medium-sized enterprises (2016)

6. Methodology

For the development of this research, the methodology used is based on an empirical approach with qualitative analysis, based on electronic, literary and scientific sources, as well as government statistical information, thus obtaining the information considered useful for the study, for their 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 people, groups, communities, processes, objects or any other phenomenon that is subjected to an analysis" (Hernández, Fernández, & Pilar, 2014).

In the present study, the mpymes of Lázaro Cárdenas, Michoacán and the adaptation of the canvas model as a business plan tool that allows them to develop their competitiveness, as well as their permanence, are considered as a dependent variable, as previously mentioned according to data of the business coordinating council (2017) small and medium-sized companies in Mexico, 70% close before reaching the age of 5. According to data from the National Institute of

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Geography and Statistics (2014), life expectancy at the national level at birth, for businesses is 6 years 9 months and in the state of Michoacán 6 years 3 months.

7. Analysis of results

As stated previously, the canvas model needs to be adapted to the mpymes of Lázaro Cárdenas, Michoacán, considering their particular characteristics and the environment in which they are developed. The proposed modules are captured on a canvas, so that participants can view and comment on the business model.

This proposal is highly practical, however, as previously mentioned, it is necessary to adapt it, since the Osterwalder & Pigneur (2011) proposal does not consider the determination of the unit cost, as it is the starting point for a competitive selling price , their structure is mentioned in the model, however, their integration is not required. Neither does it include data regarding the initial investment, information necessary for new company projects. Likewise, it is essential to consider basic marketing, although it is true in this model it is considered but partially. Finally, strategic planning in order to identify the direction that the organization must take. The proposed points are described below:

A. Unit cost.

Mainly for industrial MSME companies, it is important to integrate each of the elements that make up the cost per unit produced, in the same way those of services, to be in possibility once the distribution charges are added, to establish a competitive sale price, which guarantees an appropriate profit margin. The following elements intervene for its determination:

- 1) **Direct materials or raw material.** It is made up of the materials or raw material to be transformed, they can be easily quantified and physically identified in each unit produced. The raw material is an important element in the elaboration of a product, since they are all the materials susceptible to transformation, which will give rise to an elaborated product different from the conjugated materials and which will have full identification with the article produced. (Parra, 2009).

- 2) **Direct labor.** It constitutes the wages and benefits that the production worker receives, that is; the one that intervenes directly in the transformation of materials. The labor force represents the effort of the human work that is applied in the elaboration of the product. Labor, as well as raw material, is classified into 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) **Manufacturing overhead.** It is made up of concepts such as indirect labor, depreciation of machinery and equipment, maintenance, as well as those expenses that are of a lesser amount and that for their application many of them require prorating. In addition to labor and raw materials, there are other types of indirect costs that are necessary 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 are known as the acquisition cost, which will be added with the distribution costs and the profit margin, in order to determine the sale price. As these concepts are known, it is possible to optimize them, which translates into greater competitiveness in the market.

B. Initial investment

To start a new micro, small or medium-sized company, it is important to also know the capital necessary to start it, mainly to define the origin of these resources, either by the contribution of the owner (s), financing by banking or government institutions, where appropriate a combination of these. To be used primarily for:

- 1) **Constitution permits and expenses.** Concepts such as; notarial expenses for the constitution, licenses, permits and registrations before federal, state and local authorities.

- 2) **Preoperative expenses.** Expenses to be made before starting operations should be considered, such as; contracting services, real estate rental deposit, prior advertising, salaries, consulting services, among others.
- 3) **Initial Production Cost.** It is the quantification of the initial production, in its case the inventory necessary to start operations, in the case of commercial businesses. The establishments that transform raw material or semi-finished products consider, in addition to these concepts, direct and indirect wages, payment of taxes derived from wages, expenses such as; electricity, maintenance of equipment, which need to be disbursed and which deals with knowing, in order to have sufficient resources, until the moment when the recovery of cash for the realization of sales and services begins. In other words, keep the entity running until the generation of its own resources.
- 4) **Fixed investment.** It is made up 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, transportation 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 the contribution of the investor or investors, as the case may be by financing or the combination of both .

C. Basic marketing.

The product or service that you want to place 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 of the subject, however, they remain the point starting in marketing, is the case of the 4 P's or marketing mix, which in the model that is 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 competition that in the following paragraphs it is explained in a simple way to facilitate its understanding and application by the mpymes, as a strategy for its development. The Marketing Mix is defined as a group of marketing tools which are combined to produce the response you want to reach with respect to the target market. (Kotler, 2010).

- 1) **Product.** Product is any object or thing capable of buying or selling, however, there are important aspects to consider before marketing such as; the name, packaging, presentation, advertising phrase, logo and brand, among others, which must be planned in such a way that they cause a positive impact on the consumer and that contribute to the identification of the good or service, its protection. In addition to making sure of the name, register it, in your case avoid legal problems by using an existing one 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 that offered by the competition, in such a way that it must be competitive and that it also includes the profit margin that the entrepreneur intends, where appropriate, is starting point in the search for alternatives for cost optimization, however, in this section the mpymes must also define the form of payment, be it a bank transfer, deposit account, cash or credit card. Currently, electronic money is widely used in Mexico, partly supported by current tax provisions, which require using these means to cover acquisitions and expenses that are intended to be deducted from taxes.
- 3) **Square.** In this section, the employer must analyze and decide the way in which he will deliver his products to the consumer, that is; the appropriate distribution channel according to its own characteristics, seeking that it be on time and in the appropriate way, without this process significantly impacting the sale price. It can be stores, direct sales, online, distributors etc. The location and ease of access to the establishment are very important factors to consider for best results.
- 4) **Promotion.** For every business it is essential to identify the means or means to make themselves known, mainly with the market to which it is directed, considering the different habits of consumers to consult information before making the purchase, such as; Internet, radio, newspaper, exhibition at fairs, personalized promotion etc. Kotler, 2010 wisely states that ICompanies must communicate with current and potential customers, without leaving to chance what they want to communicate. So important is to

disseminate and what you want to make known, to get the consumer to be convinced and make a decision that is favorable.

- 5) **Market segments.** As he puts it Osterwalder & Pigneur (2011), Companies must select, with an informed decision, the segments they are going to target and, at the same time, those that they will not take into account. Once this decision has been made, a business model can be designed based on a thorough knowledge of the specific needs of the target customer. Definitely it is decisive that the MSMEs identify who their potential customers are, where they direct their product or service, as well as the demand capacity of the target market. This information will provide relevant data on its market feasibility.
- 6) **Identification of the competition.** Just as it is important to know the market to which the product or service is directed, it is important to find out who and how many are the competitors, what are their strengths, what they are offering to improve them, the quality of their goods and services. Having knowledge of this, SMEs clearly understand that they need to be able to compete and penetrate the market, without their incursion being the result of 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. Likewise, regarding the channels, the aspects related to distribution and sales are exposed, however, for practical aspects it is easier to combine in a single section as presented in the basic marketing that is proposed, taking into account that the mpymes in Mexico they are run by a family member or in any case do not have an administrative structure that offers multidisciplinary knowledge, making it necessary to facilitate their assimilation.

D. Strategic planning

Every organization needs to know its *raison d'être*, where to go to achieve its objectives, internally know its capabilities and the prevailing situation in the market, how favorable or failing the turbulence is. Basically the mpymes occupy define in this section the following:

- 1) **Mission.** Every company has an activity to develop, which it registers as an integral part of its constitutive document or registration with different government agencies, but beyond the activity it is to understand the reason for its existence, the reason for its existence and that each member knows and identifies with it, so that it becomes a purpose of the organization. "The mission is the *raison d'être* of the organization, its formulation is one of the most important stage 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, both in the short, medium and long term, are specified in a specific way, to facilitate their control regarding their execution and results. This will make it easier for MSMEs to make sure they are on the right track and establish preventive or corrective measures in a timely manner, considering the various scenarios that arise throughout their life cycle.

- 3) **Values.** The values that are 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 of both the employees of the organization, and in terms of customer service. (Morales, 2014).
- 4) **SWOT analysis.** It is a tool for SMEs to analyze internally their qualities as well as 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 be faced. These types of companies have

great strengths, which ultimately define their success, therefore it is important to know them in order to exploit them to the fullest, attending to the weaknesses that in their case constitute an obstacle in achieving their objectives.

SWOT analysis is a diagnostic instrument used by a company or organization with the purpose of professionally intervening both in the formulation and application of strategies and in its follow-up to make an evaluation and control of results. It consists of carrying out an evaluation of the strong and weak factors that 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 of the previous century, however organizations currently face very competitive competition in the markets, the changes are taking place in a very dizzying way, a situation that forces MSMEs to establish a philosophy focused on increasing product quality or service as well as optimizing the processes so that they satisfy the needs and requirements of the clients, achieving in this way conserving them and attracting new ones. SWOT analysis identifies the weak points to establish solutions, through strategies such as training, process review, controls, etc., to increase productivity.

It is important to establish a quality management system that is clearly oriented to processes and continuous improvement. Well, organizations will achieve leadership to the extent that they have the ability to maintain the excellence of their processes and are committed 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 the unit cost, initial investment, basic marketing, and strategic planning, retaining from those established by Osterwalder & Pigneur (2011), the source of income, value proposition, relationship with customers and associations key, remaining as follows:

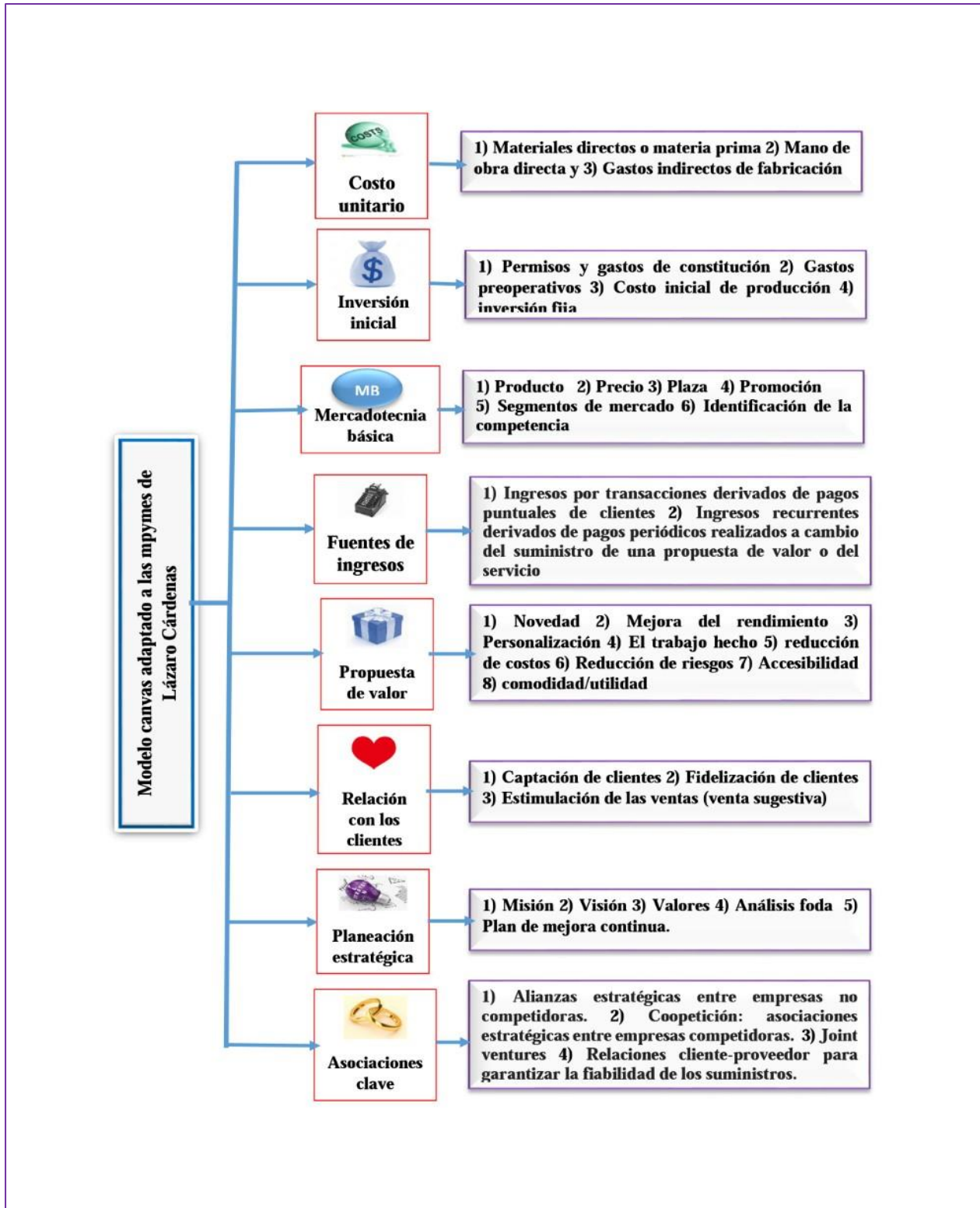


Figure 2. Analytical canvas business model adapted to the MSMEs of Lázaro Cárdenas

Source: Own elaboration based on Osterwalder & Pigneur (2011) canvas model.

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

- 1) Key activities
- 2) Cost structure
- 3) Key Resources
- 4) Market segments.
- 5) Channels

The tasks corresponding to them were contemplated in the sections that were added, more specifically facilitating their application and understanding, mainly considering the characteristics of those who run the mpymes of Lázaro Cárdenas, Michoacán, the modules that were added are mentioned below:

- 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 being addressed for its proper application, in the same way it can be captured on a canvas to facilitate its development, as shown in figure number 3, containing the main data , for each module to disaggregate the specific information mentioned and summarized in figure number 2.



Figure 3. Canvas business model adapted to the MSMEs of Lázaro Cárdenas

Source: Own elaboration based on Osterwalder & Pigneur (2011) canvas model.

8. Conclusions and recommendations

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

For this, this research concluded with the adaptation of the canvas model to the MSMEs of Lázaro Cárdenas, Michoacán, as a strategy to generate their competitiveness, considering a simple development for their better understanding, taking into account that these companies are led by a single person who performs different activities and is usually a member of the family. In other words, they do not have an organizational structure that guarantees specialized multidisciplinary activities, however, through the proposal that is presented, the strategic points that develop the vital activities of the organization reflected on a canvas can be easily addressed. With the above, contribute to the development of their competitiveness.

The canvas model adapted to the mpymes of Lázaro Cárdenas, can be used in any organization, even be modified according to the characteristics of each environment, in its case to the prevailing economic, political and social reality, since the economies are not Static, changes continue to occur, likewise the proposals are susceptible to changes and adaptations. Regarding the results, it is recommended that these establishments, mainly micro-enterprises, join formality as part of the taxpayer base, simplifying their incorporation, so that the benefits are reflected in the employability with respect to the benefits provided. derive and in the collection of taxes in a fair and equitable way, without representing additional burdens or complex compliance processes.

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