

IT Strategies for Globalization Impact in the SMEs (Aguascalientes Mexico Case)

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ABSTRACT

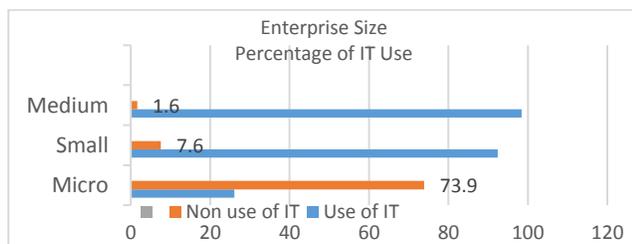
The 73.9% of SMEs, in Mexico don't use Internet in their commercial or industrial activity [9], taking in consideration that Numerous forms of communication, with low costs, leads up to opening the market for consumers throughout the world, the following factor is the impact of modern communication technologies. Rapid changes of all the forms of technology provide a rapid approach. These two factors have influenced the change of power in the market, from producer to consumer or end user, [10], also we have to consider that Globalization has systemically affected the way all firms undertake innovation. First, there has been a growing use of non-internal technology development, both by outsourcing and strategic alliances. Second, products are increasingly multi-technological. This has led to the growing use of networks by all firms, [11]. Throw This research using descriptive methodology, it was detected that using IT as a commercial strategy in Mexican SME's could be the detonating for increase the SME's competitiveness in México.

Key Words: (IT Strategies, Globalization, Impact, SMEs)

1. INTRODUCTION

In Mexico in agreement with the use of computer equipment, 73.9% of the microenterprises that report not using the internet have. This represents 7.6% and 1.6%, respectively, of small and medium-sized enterprises. In this sense, the 47.3% of all companies that do not use the Internet declare that they do not need it.

Figure 1. Distribution of the number of companies according to its condition of use of computer size component, 2014.



Source: INEGI 2014

Of the total number of companies considered in ENAPROCE (National Survey on Productivity and Competitiveness of Micro, Small and Medium Enterprises) 2015, 97.6% are micro-enterprises and account for 75.4% of the total employed staff. They are followed by small businesses, which are 2% and have 13.5% of the staff employed. The medians represent 0.4% of the economic units and have just over 11% of the employed.

Figure 2. Number of enterprises by size or occupied personnel.

Size	Enterprise		Occupied Personnel
	Number	%	Participation %
Micro	3952422	97.6	75.4
Small	79367	2.0	13.5
Medium	16754	0.4	11.1
Total	4048543	100.0	100.0

Source: ENAPROCE 2015

Also with respect to the companies considered in this Survey, 12.6% provide training to its staff. Of these, 73.7% of medium-sized enterprises and 55.8% of small units allocate time and resources for training, while for micro-enterprises only 11.5% train their staff.

On the other hand, 43.6% of medium-sized companies, in addition to applying the solution measures to problems presented in the production process, also implement continuous improvement processes to avoid future eventualities. These actions are carried out in a 30.8% in the small companies and in a 9.8% in the microenterprises.

The lack of using internet in the Mexican SMEs and the poor percentage of staff training, implies un disadvantage for affront the globalization impacts.

2. OBJECTIVE

The aim of this research is to identify based on the literature revision, the SMEs impact effects, caused by the economy globalization and the IT strategies to affront that impacts.

3. RESEARCH QUESTIONS

Which are the SMEs impacts caused by the economy globalization.

Which the SMEs IT strategies are for affront the impacts of economy globalization.

4. HYPOTHESIS

The economy globalization has caused impacts in the SMEs at world level and has encouraged them to use technologies for their commercial and industrial activities.

5. METHODOLOGY RESEARCH

The methodology utilized, is qualitative method, consisting in the literature compilation.

The research method used in this paper is the documentary compilation, which is based on the printed manuscript results of various authors, presenting empirical evidence on the globalization SMEs effects in different countries and the strategies that SMEs has followed to affront that effects.

6. THEORETICAL FRAME WORK

[11], Globalization has systemically affected the way all firms undertake innovation. First, there has been a growing use of non-internal technology development, both by outsourcing and strategic alliances. Second, products are increasingly multi-technological. This has led to the growing use of networks by all firms, previously a primary competitive advantage of SMEs. These developments have created both opportunities and threats for the SME. On the one hand, large firms have increasingly sought out SMEs as they have developed their use of external networks. On the other hand, by doing so, larger firms are able to avail themselves of the flexibility long enjoyed by SMEs. This is particularly so in the electronics hardware-based sector, where we have evaluated the R&D activities of both large and small firms. Although SMEs continue to have the advantages of flexibility and rapid response, the traditional disadvantages due to size limitations may have worsened due to the demand for multiple technological competences and by increased competition

[5], The Small and Medium Scale Enterprises/Industries (SMEs) function as a lifeline in informal sectors of Pakistan and Sri Lanka due to their immense contribution in areas such as employment generation, exports, equitable income distribution, social stability, efficient domestic resources usage and regional development. However, a large number of SMEs in both countries are struggling to survive in today's global competitive market. Their sustainable growth is threatened by the impact and challenges of rapid globalization. Absence of any networking and cooperation among the SMEs and lack of linkages with large [scale industries have aggravated these problems. In spite of the various policy reforms, establishment of SME related apex bodies, incentives and assistance offered by the national governments in both countries, SME sector has suffered in many fronts. The outcome of this paper is to identify coherent

policies and strategies to develop SMEs to their full potentials both in Sri Lanka and Pakistan under this intense globalization move.

[10], of the total of twenty millions of enterprises in European Union, 99% of small and medium enterprises. They contribute to the overall gross domestic product of EU with 60%. And they provide more than 80 million of workplaces. That particularly means that in SMEs sector, two thirds of employees of the total number of employees in private sector in EU is working. The phenomenon of globalization is undoubtedly related for the period of the 80's, and a complete affirmation, expansion and superiority of the phenomena and globalization process is related for the period of the 90's. In the last two decades, they represent the period in which it comes to the affirmation of new terms, such as: market globalization, globalization of business, global industry, global enterprise, and global consumer.

[1], their paper represents a contribution to the debate on the impact of globalization on the competitiveness of firms, particularly SMEs, in LDCs. (Less developed Countries), although globalization has brought considerable benefits too many actors worldwide, its impact on competitiveness of (SMEs) are controversial. They suggest that globalization's effects depend on the capability of firms to learning, to innovate, and also on the institutional setup in LDCs.

[2], the process of globalization is an inevitable phenomenon in human history which has been bringing the world closer since the time of early trade and exploration, through the exchange of goods, products, information, jobs, knowledge and culture. Globalization is the process of integration of the world into one huge market. It provides several things to several people with removal of all trade barriers among countries. Globalization happens through three channels: trade in goods & services, movement of capital and flow of finance. Globalization in India is generally taken to mean 'integrating' the economy of the country with the world economy. The real thrust to the globalization process was provided by the new economic policy introduced by the Government of India in July 1991 at the behest of the IMF and the World Bank. Globalization has led to an 'Unequal Competition'- a competition between 'giant MNC's and dwarf Indian enterprises'. The small scale sector is a vital constituent of overall industrial sector of the country. The small scale sector forms a dominant part of Indian industry and contributing to a significant proportion of production, exports and employment. Therefore, there is a need to study and analyze the impact of globalization on Indian Small Scale Industries. This paper focuses on the implication of Globalization; analyze the performance of small scale industries based on number of units, employment, production, investment and exports on post liberalization

[7] during the past decade, several studies have explored the characteristics of Born International and Born Global business firms, and the reasons for their increase in size and numbers. The objective of this study is to explore the influence of financing strategies and the commensurate finance management capabilities on the globalization of

Finnish Born International and Born Global small and medium size enterprises (SMEs). The resulting knowledge from this study should prove valuable for academic researchers, political decision-makers and business managers. Interestingly, the results of the study show that Born Global had greater access to superior financial resources and stronger finance-related managerial resources right from the start-up phase than did Born Internationals. An interesting finding also focused on the fact that Born Global were able to more quickly obtain global management-related skills and industry-specific business experience through the use of external business partners and venture capital representatives. These findings may partially explain the Born Global' rapid expansion into world markets in comparison to Born Internationals, and also the failures of other types of enterprises in these same markets.

Crick, D (2005), in his paper discusses the findings from an investigation into the internationalization strategies of "high performing" UK high-tech small and medium-sized enterprises. Findings from 12 in-depth interviews suggest that strategy formation is not as systematic as some previous studies, notably those that focus on the "stage" models, suggest. Management teams anticipate and react to internal and external factors in various ways; this affects the way in which opportunity recognition and exploitation takes place. This ranges from planned strategy formation through to opportunistic behavior

The results suggest that while support for certain existing theories namely the resource based view-networking, and contingency factors was evident, no single theory could fully explain entrepreneurial decisions. In particular, "serendipity" as part of the contingency view may be an under researched area. The findings support the literature that has suggested a more holistic view should be undertaken in international entrepreneurship research.

[3], examines whether and how globalization has differential effects on small and (or versus) large firms and aims at identifying policy issues to be addressed to achieve stronger and more resilient economic growth in East Asian countries. Globalization in this research is broadly defined to include trade and foreign direct investment (FDI) liberalization, trade (exports and imports), international capital flows, outsourcing and traded intermediate goods. The research conducted 10 country studies for 8 countries in the Asia-Pacific region, namely, China, Indonesia, Japan, Korea, Malaysia, Philippines, Thailand, and Viet Nam. Growth performance of many East Asian countries has been far above the international standard. There is a growing consensus that one key factors behind is the increasing integration between these economies with the global market. However, there is also a growing concern that the growth performance has been very uneven across firms not only in developed countries such as Japan and Korea but also in developing countries such as Indonesia and Viet Nam. There seems to be a popular belief that firm performances are divergent, particularly along the dimension of firm size. It is often claimed that the diverging performance is caused by globalization. Compared to large

firms, small firms (or SMEs - small and medium enterprises) are at a disadvantage to adjust to globalization in terms of adjustments to an increased import competition, expanded export opportunities, enlarged foreign investment opportunities, and increased global production sharing. The perceived view on the divergence and its possible linkage with globalization, irrespective of the existence of its factual basis, has become an important economic or socio-economic policy issue in many countries. This research attempts to shed some light on these issues.

Aguascalientes Mexico Status.

Aguascalientes counts 5,594 companies registered in the Mexican Business Information System (SIEM), of these, according to records of this organization, only 164 export their products; while 5,430 do not. This situation places Aguascalientes in the 14th place in relation to its number of companies that export.

The capital municipality is the place where most of the exporting businesses are located, 124 companies; San Francisco de los Romo and Jesus Maria are the ones that follow this place in the list with 17 and 12, respectively.

It is important to note that the largest concentration of exporting companies in the capital of Aguascalientes responds to the fact that it is also the area where most of the companies established in the state are located, since of the total registered in SIEM (5,594), 4,810 companies found in the capital city. The rest of the companies are distributed as follows: Jesús María, 301; Rincón de Romos, 111; San Francisco de los Romo, 87; Pabellón de Arteaga, 76; El Llano, 63; Calvillo, 62; San José de Gracia, 31; Tepezalá, 22; Seats, 21; and Cosío, 10.

The entities with the largest number of businesses that export, registered in SIEM, in Mexico, are: Jalisco with 1,013; Coahuila, 891; and Baja California, 630; while Campeche, Nayarit and Tabasco are the states with the lowest: 8, 15 and 21, respectively.

At the national level, SIEM has so far registered 716,468 companies, of which 7,470 export and 708,998 do not.

This situation reflects the impact of lack use of IT in the Mexican SMEs in their commercial and manufacturing process.

7. CONCLUSIONS

Based on the literature revision, we can conclude, as [11], Say, Globalization has systemically affected the way all firms undertake innovation. First, there has been a growing use of non-internal technology development, both by outsourcing and strategic alliances. Second, products are increasingly multi-technological. This has led to the growing use of networks by all firms, previously a primary competitive advantage of SMEs. These developments have created both opportunities and threats for the SMEs; for that reason, we consider important the necessity of IT use for SMEs operations, commercial and industrial through the social nets or soft wear acquisitions for increasing the opportunities of growing and to increase the

SMEs competitiveness having the opportunity of export their products in the middle of the globalization impacts

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