



## Business Plan for Micro, Small and Medium Enterprises

[Lisbet Eunice Pérez Anzardo](#)<sup>1</sup>, [Irina Reyes Martínez](#)<sup>2</sup>, [Ricardo Walfrido Proenza Ventura](#)<sup>3</sup>, [Ika Hartika](#)<sup>4</sup>

<sup>1,2,3</sup> Teaching Department of the Municipal University Branch Calixto García, University of Holguín, Holguín, Cuba

<sup>4</sup> IAIN Takengon, Indonesia

Email: lisbeteunice1008@gmail.com<sup>1</sup>, ireyesm@uho.edu.cu<sup>2</sup>, rproenzav61oly@gmail.com<sup>3</sup>, ikahartika82@gmail.com<sup>4</sup>

**Abstract:** *We are currently going through a global economic crisis that leads to the search for new strategies to improve the economy of the different countries of the world for the benefit of local development, based on the implementation of decrees that have favored and made business management more flexible. Likewise, during 2021, the creation of new economic actors was approved in Cuba to boost small businesses based on a socioeconomic benefit for society. Hence, the purpose of this research was to design a business plan for micro, small and medium enterprises (MSMEs). The municipality of Calixto García was used as a sample for its application to contribute to the growth and prospective development of new forms of non-state management. Theoretical methods such as analysis-synthesis, historical-logical, induction-deduction were used; and empirical such as scientific observation, interviews, study of normative documents, among others. As a result, the foundations were laid for the theoretical and practical deepening of the research and a methodology for the development of the business plan for MSMEs is presented, which was implemented in the Mr. Galletano Sole Proprietorship. From the reflection made in this study and from the theoretical and practical contribution, the need for the business plan as a fundamental tool for the positioning of this form of non-state management is demonstrated, which shows its profitability and possibility of growth from both operating and financial leverage.*

**Keywords:** *economic actors, MSMEs, economic and financial management, business plan, local development,*

### I. Introduction

The crisis experienced at the international level during the 80s of the twentieth century caused instability in economic development as a process, and forced countries to seek strategies to achieve an increase in their growth. Initiatives were taken to adjust the economy, so that it would be possible to make it more flexible the mechanisms of organization and administration in order to create the necessary material conditions to increase the production of goods and services, create jobs and favor local development in the face of the dissimilar structural changes of the different territories (Camberos, 2015; Ocampo, 2020; Bracamontes, 2015).

In the same way, business management is considered a complex and extensive study that seeks to improve the relationship between productivity, quality, costs, administration, distribution and logistics, as well as production time. It spread from the twentieth century, in the public and military sectors. Its beginnings as a professional career date back to 1933 in Madrid, Spain. Broadly speaking, corporate governance is about identifying and harmonizing all of the company's resources in order to achieve the desired results (Sosa, 2020). In Cuba, alternatives have been sought to boost its economy, so that from January 1, 1959, a process of transformations focused on economic growth from conditions of

underdevelopment began. The nation is focused on a national plan for economic and social development until 2030, to achieve the proposed objective, which includes the strategic axes

and sectors to be developed as part of the conceptualization of the Cuban economic and social model of development approved at the VIII Congress of the CPL (Communist Party League of Cuba) (Pozos, 2016).

The experience of the implementation of business improvement in Cuba dates back to 1987, applied only within the business system of the Ministry of the Revolutionary Armed Forces. As a result of this practice, it was possible to verify an outstanding performance of the business management of the entities involved in terms of organization, discipline and economic efficiency, so the decision was made to extend it to the rest of the companies in the country. This determination was supported by Decree-Law No. 187 of August 18, 1998, which established its general bases. From this moment on, it has been possible to verify that this system is the ideal instrument to achieve total and continuous progress in planning and management.

On the other hand, improvement is a process that requires transformations, stability and an increase in the indicators that mark the correct functioning of business entities, but at the same time it brings considerable benefits. The most significant advantages are given by the autonomy it endows these institutions, legitimizing them to determine their own structures and staffing. This facilitates the adoption of an internal organization that satisfies the real interests of companies, as well as the hiring of a suitable workforce.

It is also noteworthy that workers must respect the indications emanating from the management systems of these entities. By being designed by them, they allow the use of more effective methods for the achievement of strategic objectives that independently determine the formation of their own business plans, it is another of the prerogatives offered by improvement as a result of the independent status in which it places the companies. It expresses the importance of planning in this process and ensures the relevance of the transactions that are proposed to be carried out.

In addition, these entities are empowered to define and set salaries, which motivates the increase in the level of productivity that will be proportional to remuneration and guarantees the validity of the constitutional precept. In the new economic and monetary order, MSMEs (Micro, Small and Medium Enterprises) play a fundamental role, which constitute a new source of employment for society and a new way of obtaining income. These new private and state-owned companies are governed by decree law number 46 of 2021, the purpose of this Decree-Law is to regulate the creation and operation of MSMEs.

These new entities will fulfill a social task of great importance such as the production of goods and services. But there are many problems facing the creation of MSMEs today. An unstructured interview was conducted with different people (initiators of micro, small and medium-sized enterprises, bank officials), which showed the following deficiencies regarding the new institutions and their implementation:

- Lack of knowledge of how to run them.
- Poor projection of the economic and financial scenario in which the business to be formed will operate.
- Lack of knowledge of the time in which the partners will recover the capital invested to start the business.
- Insufficient identification of the strengths and opportunities of the business.
- Inadequacy in writing what is the mission of the business to be formed.
- Lack of knowledge of the analysis of financial ratios.

All of the above allows us to identify as a scientific problem: the need for a business plan as a financial instrument to achieve the creation and implementation of MSMEs.

Therefore, the general objective is defined: to design a business plan for MSMEs that allows the management process efficiently. The general objective of this research presupposes to provide a solution to the following idea to be defended: preparation and application of the business plan in the MSMEs of the municipality Calixto García that will contribute with its approval, to know if the conditions exist for them to function efficiently, in the same way it will help the promotion and local economic development, since these new entities offer employment to various people in the community, many of whom are disconnected from work, with an economic remuneration relevant to the work performance carried out, with a view to a better future of the locality since it will contribute to the obtaining of goods and services from the inhabitants with a better quality of life.

The contribution of this research lies in the systematization of concepts related to business management, the business plan and its contribution to the better development of the new economic actors and therefore to territorial development. In addition, a methodology for the preparation of a business plan for MSMEs in the municipality of Calixto García with a detailed analysis of the financial ratios, which allows for successful decision-making with a clearer vision to achieve the efficiency of these new actors and a better performance in their business management both for them and for society, in the new socioeconomic context in which the Cuban economy develops.

## **II. Research Methods**

An analysis was carried out of several methodologies presented by different authors for the preparation of the business plan, such as Hernández (2017); Sosa (2020); Alvares (2020) and Orellana (2022), they agree on a common structure that takes into account definition of the business, technical study, study of income and expenses, evaluation of the project. The authors of this paper propose to carry out a more in-depth study of financial ratios, which are of utmost importance because they facilitate decision-making and have a prospective vision of the business.

For all of the above, for the purposes of the research, a methodology is proposed, which included elements that solve the limitations found in the previously reviewed and takes into account the common criteria of the authors studied, where elements that reflect the existing regulations of 2021 are modified and incorporated and is adaptable to the interests of the municipalities, comprised of nine steps; The following are as follows: Executive Summary, Strategic Analysis (DAFO Matrix), Analysis of the Sector where the company is located, Market Analysis and Marketing Plan, Organization and Human Resources, Financing. Economic and Financial Plan, Risk Analysis.

In addition, theoretical methods such as analysis-synthesis and historical-logical were used; and empirical methods, among which scientific observation, unstructured interviews, and triangulation of sources and methods stand out. All this allowed to reveal trends, regularities, and relationships in the phenomenon under study from the information obtained during the research process, as well as to reach conclusions

## **III. Results and Discussion**

### **3.1 Evolution of SME business management**

Worldwide, they have become a relevant issue in the current economic situation for many countries, which generate interest in the creation and strengthening of companies as an engine of development of their governments. This interest is reflected in the considerable

increase in employment, production and trade thanks to the development of the SMEs (Morales, 2016). In this way, the analysis of the business management of these organizations becomes relevant for their growth, development and sustainability.

Similarly, it is important to establish that not only individual management can contribute to business success, but also through the association of organizations as mentioned by Lozano (2010), international and national experience suggests that the associative organization of Micro, small and medium-sized enterprises is a way to compete effectively and unify with international markets supported by efficient organizational management.

Addressing business management is a mandatory task in the modern context of business regardless of the economic activity or the size of the organizations, especially with the current demands of globalization and obtaining results as a priority in any undertaking. From this perspective, organizational management is the axis of development, productivity and competitiveness of companies in the new century, oriented towards the globalization of business and market positioning (Darias, 2010).

Business management is one of the fundamental pillars of companies to sustain themselves and stay in the market for a long time, because it allows them to generate strategies in all areas of the organization as well as the coordination of teams, people and processes, in order to adapt to market demand. Finally, it is important to note that in order to achieve adequate comprehensive management in small and medium-sized enterprises, it is important to combine the components that are part of organizational management, such as: administrative, technical, legal, international, accounting and financial.

The first considers the level of use of resources, strategies and decisions that the company projects; the second, the processes and other aspects of production to be competitive; the third component is associated with formalization; the fourth is related to foreign trade operations and, finally, the analysis of the accounting and financial system in decision-making.

The business organization or structuring of the business allows companies to be formed before the start-up, their leaders must be clear about the way in which it will be organized to develop their economic activity, and for this it is necessary to set an organization plan which allows them to lay the foundations for the operation of the company to achieve the proposed goals.

These companies have their most representative origins in Europe, after the Second World War, when companies on that continent had to recover from the economic ravages quickly.

This gave way to small companies that were relatively simple to incorporate. SMEs are organizations that adapt easily to the changes generated by the competition, for this they must achieve a business development that allows them to do so. Concepts such as economic growth, business culture, leadership, knowledge management and innovation are those that would make up business development for an SME (Camberos, 2015).

To understand the behavior of SMEs in the world, it is important to clearly identify the classification criteria used by countries in the world, for this purpose it is taken as references institutions that regulate the regulations in each of them, in Europe and Latin America. The International Finance Corporation (IFC) (2003) conducted a study identifying the contribution of the private sector to job creation, which analyzes the classification of companies from three aspects proposed by the World Bank Group. The criteria used for the classification of SMEs by the European Union are the number of workers and the annual balance sheet, in accordance with the provisions of the European Commission's recommendation updated in 2003 (EU, 2016).

Similarly, in Latin America, the ranges to define the size of the company and the productive sector present a high variability in the number of criteria used or a combination of these, the classification is made by productive sector, but with different criteria as is the case of Argentina, Costa Rica and Mexico. For the latter, the classification is considered by productive

sector and the criterion used is the number of workers, while for Argentina it is also by productive sector. Thus, the most common criteria for the classification of SMEs in Europe and Latin America are given by the number of workers and sales of the companies according to the regulations established in each country. In this way, it can be seen that the two variables mentioned are those that determine the size of the organization. Innovation is an important factor for the growth of SMEs, according to the World Bank Group's Enterprise Surveys survey report (Gómez, 2020), in Latin America 33% of companies innovated compared to 53% of companies in the Caribbean region.

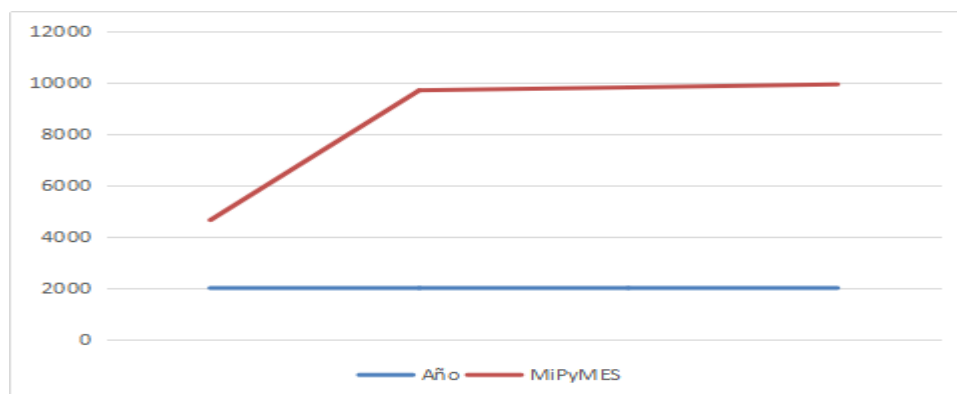
The situation of SMEs in Europe is similar to that of companies in Latin America and the Caribbean (ALO), the importance of these in the economy as large companies that generate employment and productivity of the economy is observed, according to estimates by the European Union, Spanish SMEs generate a higher percentage of business employment compared to the EU as a whole (SMEs, SMEs, etc.). (2016).

In summary, SMEs represent the majority of existing businesses in the world, they play an increasingly relevant role in the development of economies, driving economic growth, and play an essential role in generating employment. According to the World Bank Group (2016), SMEs account for more than half of the formal jobs in the world.

The creation of MSMEs and CNAs (Non-Agricultural Cooperatives) is part of the improvement of economic actors, a process aimed at putting all the forms of management that make up the Cuban economy in their rightful place, in order to unleash their potential and contribute to the socioeconomic development of the country. In the country, these companies are constituted as economic actors with legal personality, focused on the production of goods and the provision of services, which may be private or state-owned, at the request of natural persons of Cuban nationality.

They are called "MSMEs" and not SMEs because the former include micro-SMEs and the latter do not, due to the characteristics of the national economy. The first application in Cuba entered into force on September 20, 2021 through the platform of economic actors. It is considered that today microenterprises will be the economic lifeline of developing countries; this is how 90% of this type of companies worldwide contribute to the GDP of each country and generate a large volume of employment.

Since the last decade, MSMEs have aroused the attention of organizational scholars both economists and institutional psychologists, and have gained an important place within their demands for professional intervention. In Cuba, for example, there are more than 9940 MSMEs, as shown in Figure 1; where 18% of the country's commercial production is concentrated, while the 1971 large state-owned companies concentrate 82% of said production according to the 2023 balance report of the Minister of Industries. MSMEs currently make up 89.54% of all existing companies; they occupy half of the economic strength of the territory; and they employ two-thirds of the population.



**Figure 1.** Number of MSMEs in Cuba from 2021 to 2024

Source: Data taken from the 2023 balance report of the Minister of Industries and the Ministry of Economy and Planning of Cuba June 2024.

Over the years, market demands and their own limitations led MSMEs to develop economic integration strategies in order to incorporate themselves into the national economy. These strategies are: 1) Networks: It resides in the union of companies from the same sector and the same geographical location, in order to overcome difficulties that would be difficult to face in isolation. Example: Purchase of inputs at a lower price, joint sale to achieve economies of scale; joint contracting of Specialized Services at a lower price. 2) Cluster: Also known as the Productive Pole. It consists of an agglomeration of companies from the same sector and the same geographical location, which do not necessarily maintain ties with each other. They generally respond to the generation of fiscal policies that benefit a productive branch in a given geographical region. The formation of Productive Poles are also tempting projects to achieve the integration of MSMEs into the value chain of Large Companies, through the service outsourcing model. 3) Territorial Projects: Unlike Clusters, they comprise more than one production sector. They generally respond to public policies that seek to benefit the members of a given community. The management of these falls to the public sector. Ex: Construction of schools, urbanization of settlements. 4) Vertical integration.

One of the concerns of MSMEs is the generation of long-term contracts that ensure stable income for their functional structure. The integration of MSMEs into the productive structure of large companies, through the outsourcing of services, has turned out to be a very good option for both, since the latter, for their part, manage to reduce their internal costs through this model. <https://www.mep.gob.cu/news>

The issue of MSMEs in Cuba takes on an important connotation from the approval of the Decree Laws that approve their legalization and operation, not only because of the importance it has and the role it should play in the economic recovery of the island (GDP, employment, income, products and services), but also because of the impact it has had on certain sectors of the Cuban population such as professionals and entrepreneurs who see it as an opportunity to realize their dreams of creating small and medium-sized businesses.

It can be added that the Cuban government has given maximum support to the creation, legalization and development of these companies as long as they comply with the established requirements and procedures. A strategic analysis of the conditions they face and the prospects for the development of the situation and the prospects for the development of the situation is also carried out of these MSMEs in the context of the Cuban economy. Policies aimed at promoting and allowing the operation of micro and small private enterprises constitute a very profound turning point and transformation in the Cuban economy. Their essential element is: Prioritizing national production and suppressing the import mentality.



Regulate the market mainly by indirect methods. Take into account the complexity of multiple economic actors. Consider the dynamic role of domestic demand for the economy. Grant more autonomy to the business sector. All these aspects are in line with the National Economic and Social Development Plan until 2030.

There are experiences in Cuba that can be classified as small businesses. This is the case of local industries, small food processing businesses, associations of artists and artisans, as well as forms of cooperative production that include the agricultural sector and the non-agricultural sector as well. There is also learning and knowledge in the field of local development. After the approval of the first micro, small and medium-sized enterprises in the second half of 2021 (MSMEs), these forms of management, together with the CNAs, are part of the improvement of the economic actors carried out by the Caribbean country in its efforts to create prosperous and sustainable development. From 2022 to 2026 is the second stage of the economic and social development plan in which the direction of the country's economy is betting on the fulfillment of the proposed objectives since it is stated that these economic actors are playing a fundamental role by creating around 200,000 jobs in the country between January and September of the current year.

The package of rules that make up the main regulatory framework for MSMEs in Cuba are the following: • Decree Law 46/2021 "On MSMEs" • Decree Law 49/2021 "Amending Law 113 of the Tax System of 2012" • Decree 46/2021 "On the activities to be carried out by MSMEs, Non-agricultural Cooperatives and Self-Employed Workers" • Resolution 213/2021 of the Central Bank of Cuba CBC "Rules for the granting of credits to CNAs and MSMEs" • Resolution 346/2021 of the Ministry of Finance and MFP prices "Rules for tax treatment, financial and price requirements" • Resolution 346/2021 MFP Specific accounting standard for MSMEs "The classification assumed for the size of MSMEs on the Caribbean island Classification of Companies according to the number of workers Micro 1 -10, Small 11 -35, Medium 36-100. Decree Law 46, which is part of the package of regulatory norms for the creation of legalization and operation of MSMEs in Cuba defines them as: Economic units with legal personality, which have their own dimensions and characteristics. To know if an MSME project is viable, four basic steps must be followed: • Define the activities you want to carry out. • Locate and identify in the National Council of Economic Actors (CNAE) the section and the number of the class that identifies it. • Check if it is an activity approved by the government in the list of authorized activities. • Prepare the application document to be submitted to the National Council of Economic Actors of the Ministry of Economy and Planning (MEP).

### **3.2 Diagnosis of the behavior of MSMEs in the Municipality of Calixto García**

In the municipality of Calixto García there are a total of 17 MSMEs. They are dedicated to the printing of documents, maintenance of motor vehicles, preparation and conservation of fruits, vegetables and vegetables, construction of all types of buildings, preparation and conservation of all types of meat, manufacture of concrete, cement and plaster articles, marketing food from the production of spices, sauces, condiments, vinegar, among other activities. These new economic actors have the possibility of holding accounts in mlc (Cuban virtual currency in foreign currency) according to their specific characteristics, in accordance with the provisions of decrees and laws that establish the regulations that govern commercial relations in operations in freely convertible currency between entities authorized to carry out foreign trade activities and non-state forms of management.

Entities authorized to carry out foreign trade activities in non-state forms of management require a specific license from the Central Bank of Cuba to open a current account in freely convertible currency at Banco Financiero Internacional S.A., taking into account the legal provisions and banking procedures in force. The forms of non-state management request the

opening of current accounts in freely convertible currency in Banco Metropolitano S.A., Banco Popular de Ahorro or Banco de Crédito y Comercio, preferably in the one where bank accounts operate.

For the opening of the current account in freely convertible currency, the forms of non-state management present the following: 1. Identity document; 2. Official document authorizing the exercise of self-employment. 3. Registration in the 'Taxpayers' Registry, in accordance with the provisions of the special legislation in force. 4. Any other document that the Bank deems necessary, in accordance with the customer segment in question. The current accounts in freely convertible currency referred to in the previous section only become operational, when the forms of non-state management present to the bank the contract signed with the entity authorized to carry out foreign trade activities.

### **3.3 Preparation of a business plan for MSMEs Mr. Galletano SULR**

The business plan allows us to demonstrate our ability to meet our obligations, as entrepreneurs and businessmen. This creates security for our lenders. In addition to creating an enduring focus on achieving the objectives that produce profits and develop efficiency. Nowadays the competition is great and specialized, the blind entrepreneur has no chance of success.

The importance of a business plan lies in the fact that it is a detailed description of the business you want to start, a dynamic project in which you describe how you are going to operate and develop the business during a certain time. The variables involved in the project are defined and the optimal allocation of resources to implement it is decided. It is a document

A formal written process that follows a logical, progressive, realistic, coherent and action-oriented process, which includes in detail the future actions to be carried out by both the owner and the company's employees to achieve certain results, at the same time, establishes the mechanisms that will allow monitoring said achievement. (Stutely, 2000)

### **3.4 Executive Summary**

The single-member limited liability company that has the name of MPM Señor Galletano SULR, was created on January 6, 2022 and is located on Calle Primera, No.6 between Patricio Lumumba and Avenida José Martí, Buenaventura, Municipality Calixto García, Province of Holguín. Cuba. The objective pursued by this MSME is the production and sale of products, which at this time that the country is experiencing represents the main task: to produce quality food that provides a solution to the deficit of existing products and satisfies the needs of the people. Its corporate purpose is the commercialization of food products from the production of spices, sauces, condiments and vinegar, among others; products made and/or preserved using fruits, vegetables and vegetables preserved in oil and/or vinegar; as well as the elaboration of toasted cookies and others. Also, to market products from the preparation and preservation of smoked meat and meat products such as lard with pork rinds, chorizo, cooked ham; outdoor vegetable crops with leaves or stems, fruit, root, bulbs, beet seeds and tubers and others.

MSMEs have a great business opportunity, due to the boom that the commercial sector where they are developed has reached.

The efforts are aimed at the constant increase of the business and the greater penetration in the market with an optimum of efficiency and efficiency, so that every day there is a maximum acceptance by customers and the levels of income increase progressively.

The fundamental investments to be taken into account in the short term are fundamentally related to equipment, such as transport, computer resources, communications as well as the purchase of raw materials, products and packages that are very necessary to carry out greater



production and achieve greater income. Human resources in a general sense are suitable, and have experience and knowledge; despite the fact that it is essential to progressively update and train in relation to the latest issues that occur in the commercial and economic order.

It should be noted that the entity lacks a sufficiently efficient recruitment, selection and recruitment procedure. Mission: to produce and market canned food ingredients and products of excellent quality, in such a way as to guarantee customer satisfaction and reach the market in the national territory, to be the leading company and enhance the flavor of Cuban food.

Vision: to be more effective and efficient in the next five years, as well as the main MSME supplying food responses to the Cuban family, which guarantees leadership both nationally and internationally; in a responsible and sustainable way.

The situation of MSMEs at the moment is favorable because production levels are measured on the basis of customer requests and reflect good behavior, so much so that demand exceeds supply, which demonstrates the degree of feasibility of the business; despite the fact that financing is needed to make purchases and equipment so that the demand of the customers with whom it has established contracts can be satisfied.

### 3.5 Strategic Analysis

For the development of this aspect, work sessions were held and specialists in the field were consulted to identify the key internal and external factors that the MSME will take into account for its proper functioning and the achievement of its objectives.

#### Internal Factors

Strengths 1. The entity offers variety in its products. 2. It has qualified personnel to carry out productive actions. 3. Management and administration is based on rights and duties. 4. All legal documentation required by the regulations is up to date. 5. It fulfills the social functions for which it was created. 6. Excellent condition of accounts receivable. 7. Good human relations in the collective.

Weaknesses 1. Absence of a quality system in place. 2. Insufficient technology to streamline both operational and administrative processes. 3. To date, neither a business plan nor its strategies had been drawn up.

#### External Factors

Threats 1. Tightening of the blockade. 2. Competition, since there are other entities that offer similar products and have more experience. 3. Financial limitations of some companies. 4.

Little culture in the operation and management of MSMEs.

Opportunities 1. High demand for the products offered by the different forms of land management. 2. Government policies from the 8th Congress and the monetary reorganization that facilitate the performance of the new economic actors. 3. The expansion of the commercial sector in the territory, which brings with it a growth in the demand for the products that are made. 4. Broad and safe market. 5. Real customer satisfaction with the products offered. 6. Existence of a large number of agricultural suppliers because the municipality is purely agricultural.

As it can be seen in the internal factors, more Strengths than Weaknesses were identified, as well as in the external elements, more Opportunities than Threats were identified; so the entity is in a position to minimize the Weaknesses with the opportunities and confronting Threats with Strengths. In this way, offensive strategies are proposed (Strengths - Opportunities or Maxi-Maxi); that is, exploit the opportunities of the environment and benefit from internal advantages, which will allow the objectives of the MSME to be achieved until it can position itself as a market leader.

Strategies of strong impact must be undertaken to limit or eliminate all weaknesses and threats and turn negative points into positive ones.

### 3.6 Analysis of the sector where MSMEs are located

The relaxation of restrictions due to the pandemic and the opening to tourism caused a better starting context for this type of company; in addition to representing an important source of employment and revitalizing the Cuban economy. Thus, one of those that was decided to be prioritized, due to its impact on the economy and society, was food production. In the municipality of Calixto García, to date: February 20, 2022; there are nine approved MSMEs and four are dedicated to food production; so the investment process, although somewhat contracted, constitutes a phenomenon that is foreseen and represents a possibility of a larger market, which shows the prospects of increasing income.

### 3.7 Market Analysis and Marketing Plan

Marketing activity and market techniques are not fully developed and updated in most of the country's economic entities; nor is there a staff that is dedicated to this task, so doing market studies and practicing a more dynamic and coherent management policy is an essential condition to access income and target market segments. From a survey carried out on regular and potential customers, it was possible to know their characteristics, their tastes and needs; as well as the need to know the portfolio of products that the entity has, amounting to 14 so far, based on elaborations from tomato, sweet potato, pumpkin, onion, cassava, pork, sheep, chives, peppers, cabbage; as well as biscuits and other flour products, among others. There is a good percentage situation in terms of customers who have received the products and aspire to request it. MSMEs are recognized within the territory, however, there are still entities and customers that, to a lesser degree, do not know it enough; towards which promotional activities should be directed. There is the limitation of not reaching as many customers as you would like due to the lack of bank financing this would allow the activity to be developed and the means and technology necessary for its performance to be purchased. The real clients are: Lucia Iñiguez Landin Clinical Surgical Hospital of Holguín, El Cucalambé de las Tunas Art School, Holguín Vocational School, EIDE School of Holguín, Rita Longa de las Tunas School, Las Tunas Psychiatric Hospital, UEB Productora de Alimentos de Mayarí. The main suppliers: CCS Juan Manuel Romero, CCS Fortalecida Félix Valera, CCS Sergio González, CPA Cristino Naranjo.

As for the price, the MSME operates in national currency and establishes it in accordance with current resolutions of the Ministry of Finance and Prices, agreement with customers, in addition to demand, competition and cost of products; adopting promotional strategies at certain times to guarantee sales and win customers.

The contributions to the state budget are planned per year as established and respond to several concepts, among which the following stand out: 0114822- Tax on sales and services of MSMEs, 0400722- Tax on profits of MSMEs\*, 0520422- Tax on personal income of state workers, 0610122 - Tax for the use of labor force, 0740122- Territorial contribution for local development, 0810132- Contribution to social security, 0820232- Special contribution of workers to Social Security, withholdings; among others.

### 3.8 Organization and Human Resources

The entity has five workers, a single-person partner who is in charge of directing the activity and an administrative board made up of him, the economic and the commercial; the other workers are two processors. The fundamental task in this area is aimed at carrying out the management of human resources, which is attended by the economic; starting with the training and recruitment of personnel, which is carried out through an established system of evaluation of candidates and the consequent probationary period in the specialty in question.

Generally, such a process lasts four months. The personnel to be recruited must have previous mastery of the activity to be carried out, with years of experience and moral qualities.

After the trial time, performance is evaluated and it is decided whether or not to make a permanent contract.

In accordance with the provisions of current regulations, a system of salary stimulation is carried out based on profits. Attention to men can be described as regular, since there are factors that affect work performance such as the lack of equipment and technology to carry out both productive and administrative activity, mainly due to lack of financing, which brings with it job dissatisfaction. However, efforts are being made to improve worker satisfaction and achieve business success. In fact, in order for each worker to be motivated and committed to their work, workshops are held to keep them informed and updated.

### **3.9 Financing. Economic and Financial Plan**

Based on the projected calculations shown in each of the proformas and the determination of the main financial ratios, forecasted; it was found that MSMEs have the necessary capacity to absorb the external financing requested from Branch 6951 of BANDEC, amounting to \$ 3,026.30 MP, which reflects the capital deficits it needs on a monthly basis to face the increase in sales by 1%; this will allow an increase in the debt ratio 71% on average, being in the acceptable range of 60% to 70%. Likewise, it is reflected that the cash conversion cycle in the 12 months analyzed ranges from approximately one day to three days, as a result of the fact that the permanence of the merchandise in the warehouse (inventory) is approximately four days, the collection cycle is 17 days and the payment cycle is 19 days. It can also be seen that, with the result obtained in the return on investment ratio, the company can assume financing with interest rates of up to 10% because its return will be 14%.

In this way, it can be seen that the project is viable, if the planned expenditure levels are maintained with very little impact on profit; being in favorable conditions to increase their sales levels, so the following strategies are drawn: - Increase promotion and advertising of the products offered. - Organize the performance of MSMEs with a marketing philosophy in the market. - Apply aggressive sales techniques. - Design new products and develop current ones with the aim of creating new customer needs. - Train staff and keep them updated on the situation both internally and externally. - To make available with Branch 6951 of BANDEC the financing it needs for the acquisition of equipment and computer means.

### **3.10 Risk Analysis**

All businesses are exposed to risks that must be combated with techniques that allow them to manage those of their activity. MSMEs are subject to predictable risk due to the experimental nature of these new forms of management. Such is the case of liquidity risks, mainly related to the delay in accounts receivable that causes inconveniences for suppliers, as well as the presence of excessive inventory with respect to sales. In addition, it can be related to the composition of your financial assets and that of your debts.

The estimation of the expected results is another of the latent risks in this type of company, for various reasons such as the investments made, the price and the sales that can be made safely; mainly due to state policies, supplies according to pre-established contracts and price variations. Likewise, the costs of insurance premiums, being able to consider risks due to fire and losses.

Therefore, it is necessary that they be examined with greater precision, since they are variables whose values are subject to greater variations. 1 -This business plan was implemented in the MSME Señor Galletano, as of March 16, 2022 with the approval by the BANDEC of the Calixto García municipality of a credit of \$ 802 500.00. 2-Of this, \$790,564.00 was implemented, for obtaining it four requests were made to the bank, this amount was used in the payment of suppliers, in the raw materials of the months of January, February and March.

3-In the first quarter they obtained a profit of \$ 498 153.03, making wholesale sales. 4-In the second quarter, profit was \$57,486.47, due to the payment of three months of credit in the month of May. 5-At this time they have a total credit debt with the bank of \$ 197 962.02, they have an escrow account with \$ 160 141.51.

### 3.11 Economic importance of MSMEs in local development

MSMEs are currently essential for the country's economic growth. These companies are mainly aimed at creating sustainable development that has man at its center, where the recognition and incorporation of local micro, small and medium-sized enterprises is necessary, because they are important and essential actors in the productive business fabric of the territories.

Its social mandate responds to the economic boost it provides to the localities, through an organized, planned and concerted process in which new entrepreneurs seek to stimulate economic activities according to the characteristics of each territory, and generate decent jobs for its inhabitants, with the appropriate use of the means and resources available. It is also a viable strategy to generate economic development in the municipalities which responds to the policies drawn up by the country's top leadership and the autonomy of the locality in question. This will allow greater hiring and the productive chain, to boost the economy.

## IV. Conclusion

Through the realization of this business plan, it has been possible to reach the following conclusions:

- 1 - The proposed objective is met by making a Business Plan for MSMEs Mr. Galletano that allows the completion of the file, and constitutes a letter of introduction that clearly defines the objectives of the entity and the strategies to achieve it.
- 2-This plan has had a favorable impact with the approval of the loan because it allowed them to launch the MSME.

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