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**NEW PERSPECTIVES
OF BUSINESS
ADMINISTRATION IN
TIMES OF PANDEMIC**

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Abstract: The following text presents the different contingencies and variables that cause the bankruptcy or imbalance of companies in the environment of the 2020 pandemic, however, it reflects on the new administrative trends that must be applied in times of a new normality. New perspectives of problem solving and decision making are analyzed, based on the external variables that have Mexican companies in trouble. The pandemic came to break business management schemes and the biases that exist are covered with new administration trends, therefore, detecting and documenting these new practices is necessary for organizations and researchers to show new generations the new administrative perspectives of business.

Keywords: Business, pandemic, management.

INTRODUCTION

Understanding the company and the study of resources within the administration, nowadays very familiar topics for businessmen, whether they are studied or not, thanks to the pandemic, all the errors and lack of order in companies have been exposed, mainly micro, small and medium-sized enterprises (SMEs), based on a basic structure, limited financial education and without planning.

Contextualizing SMEs in Mexico, they are the base of the economy, together they are 95% of the Mexican economy, this being the trigger for employment and the well-being of Mexican citizens, this is equivalent to what if SMEs are going bankrupt, the economy will be punished and in turn the country.

In order to understand companies in the Mexican environment, analyzing the importance of SMEs in the Mexican economy, nothing has been done to strengthen them in financial, fiscal and development terms, not to mention foreign markets, so these variables are They have become a threat to companies

that are not ordered and controlled in order to counteract the effects of the pandemic.

Companies in Mexico do not have an order in the financial context, they do not know how to invest, they base everything on a day-to-day basis, they do not plan a contingency and limit their planning to the next day, this means that they do not have financial planning, this would help to acquire a commercial credit to be able to invest (development and growth), however, few businessmen have financial certainty, therefore, in this contingency that affected everyone equally, the services and business sectors based on the third need and luxury are those most affected by the pandemic.

Finally, the factor that is determined as vital for the Mexican economy is the fiscal one, since Mexican SMEs are very necessary for the government to have a healthy expenditure budget, it needs SMEs to pay their taxes and with that, reinvest the proceeds, but if the SMEs are bankrupt it makes a vicious circle and the country enters a recession, therefore, the analysis of the aforementioned factors will trigger new perspectives for business administration in the era of the pandemic and the new normality.

METHODOLOGY

It is an argumentative documentary research, it falls into the category of short article. Since it seeks to gather, interpret and evaluate data, through the consultation of books, articles and previous investigations, as well as statistical figures produced by organizations such as INEGI, the Ministry of Economy, books and business magazines will be used to obtain information regarding the business administration employed in small and medium-sized companies in the different sectors and how they have achieved a position in Mexico and their paradigm shift with the pandemic. Also online sources that will allow

us to know the background and current situation of the strategies used by Mexican SMEs.

The analytical method is used to defragment the required information and stratify the data to specify the previous environment and forecast the future of SMEs. The synthesis method is used to unify the collected information and create a conclusion.

DEVELOPMENT

Before the pandemic, the national survey on productivity and competitiveness of micro, small and medium-sized companies (ENAPROCE) in its 2018 survey and published on September 2, 2019, mentions that in Mexico 4.1 million companies are micro, small or medium-sized and much of the economic activity and employment is closely linked to them.

During 2018, just over 4.1 million micro, small, and medium-sized enterprises (MIPyMES) were registered in Mexico, classified in the manufacturing, commerce, and private non-financial services sectors. There are 4,057,719 Microenterprises, which is equivalent to 97.3%. Small and medium-sized enterprises (SMEs) 111,958, which is equivalent to 2.7%, giving a total of 4,169,677 companies giving 100%. Based on microenterprises, which in colloquial terms, are businesses that do not have more than 5 workers and are businesses that are in the neighborhoods and neighborhoods of the municipalities of each state of the nation, therefore, the livelihood of millions of families.

If MSMEs were offered a bank loan in 2018 terms, 7 out of 10 would not accept it, and of these, six out of ten consider that it is expensive, while 2 out of 10 expressed that they do not need it. It highlights the lack of planning and financial planning, breaking down these data, it is reflected that the lack

of knowledge of different requirements that financial companies need to grant financing are vast and with a degree of knowledge that not all microentrepreneurs know or have to acquire financing, therefore, in the survey they are in the result that they do not accept it. On the other hand, since they do not have internal financial planning, they do not have the discipline to budget for interest.

In the Mexican context, MSMEs are vulnerable to external factors, be they earthquakes, hurricanes or, in this case, a pandemic, since they have sufficient education to counteract this type of external factors, in such a way that the business system does not contribute to growth. of the competitiveness of microenterprises, due to fear or ignorance, since if there were a synergy between companies it would be beneficial for all.

START OF THE PANDEMIC

In Mexico, the pandemic began on February 27, 2020, given by decree “stay at home” and “healthy distance”, this decree forces thousands of businesses to close their doors to the general public, only those businesses that are from basic need such as: food, medicines, medical services, financial services among others. At this start of the pandemic, the fear that business owners have about when it would end is uncertain.

In this new context, companies are conditioned to a new reality, which is unprecedented, however, the awareness of businessmen in terms of their experience, do not have the ability to understand the threat that is happening to them, that is, the contingency management that every businessman must have, the ability to respond and the ability to change according to their environment.

The company begins to change around the lack of income and administrative gaps appear, that is to say, that the processes have not been

well planned, that the activities are charged to a few people, that the procedures are long and expensive, that the Capture of the credits offered are not based on a healthy cash cycle planning, that the operating expenses are a coarse ant robbery that impacts the utility, all these factors of bad administration arise, by observing the problem and not before.

The decision to invest is becoming more viable, but the reality is that they do not know whether to retain the flow without sales and the expenses continue, causing the loan to vanish over time and having another obligation, instead of having an income trigger In the worst scenario, having the opportunity to invest in times of crisis and not having the power to lend due to the lack of financial planning, resorting to financial institutions that abuse this need with high interest rates and treacherous conditions.

Analyzing different variables that begin to diminish the operation of the company, such as the operational, financial, process, collection and human resources, these are just the weaknesses found due to the threat of the pandemic, however, the vision and experience of each entrepreneur must be put to the test to improve and try not to die trying.

The difficulties of the days have made companies begin to close due to the different variables that force them to close operations, however, shrinking a market creates opportunities for other businesses, having a vision to understand what is happening is necessary to entrepreneurs and migrate to the new or stay and die.

DURING THE NEW NORMAL

Within the framework of the new “healthy distance” and “stay at home” regulations, 90 days of pandemic and confinement have passed in Mexico, reporting infections and deaths every day and we see day by day that normalcy is far away, showing that The

situation looks very complex and it is time to take the reins of a new normality.

(García, 2020) in his article 8 out of 10 companies in Mexico will be affected by the coronavirus, say their own managers, published in the Business Insider Mexico magazine, reports that: “The study carried out among the financial directors (CFO) of the Empresas de México indicates that the current pandemic will have a significant impact on the operations of their companies. Direct news, but for administration scholars, quite worrisome, in the context of the operation, within the organizations there are basic and highly important operations, for which the company exists, the operation/client relationship.

At another point, García mentions: “70% of the CFOs in Mexico say that their main concern is the threat of global recession. Second, 61% are concerned about the financial impact – effect on operating results, future periods, liquidity or capital resources. This is alarming in the context of companies in Mexico, not to mention that the study is carried out with CFOs, therefore, this figure only includes companies that have this position, which are large or multinational companies, this refers to in a low percentage, of the total companies in Mexico, without contemplating that more than 95% of the companies in Mexico are MSMEs and that more than 90% of these companies are micro.

Within the new normality, taking into account that it is not known when the peak of the pandemic will be, they have decreed that you can leave with a reservation and trying to activate economic activity, however, the efforts to raise awareness among the population within a system security for all, but this will eventually be a bigger problem combining an economic crisis and a public health crisis that will not help companies continue to exist.

HELP IS NEEDED

In the Mexican economy there is a central bank (Banco de México), which helps with the Mexican economy in terms of inflation, foreign economic structures among other activities related to the economic well-being of Mexicans, however, this type of external factors that have shaken the world. The question at the moment is, does the Bank of Mexico have the capacity to support the Mexican economy? The answer is yes, but in real terms, they do not know where to start, since despite having a protection reserve, they don't know where to inject the money and they don't know with which organizations to reactivate the economy.

Due to the last mentioned, this type of note arises: (El país, 2020), "The Bank of Mexico injects 30,000 million dollars to prevent the collapse of the economy." Giving credit to small and medium-sized companies through commercial banks, however, is not enough to reach micro-enterprises that do not have access to credit from commercial banks.

On the other hand, the government has issued word loans to try to attract most of the microenterprises, however, this type of word loan reached an amount of \$20,000.00 pesos, the only ones that would only help for a moment. Within a business structure, it seems that the government does not understand the nature of companies and the impact they have on Mexican families.

It is important to deepen that the help of the different government institutions has fallen short for the approaching conflict, determine a good plan to reactivate the economy, through value chains, strengthening credit with new rules and promoting internal consumption. To reactivate microenterprises, these could have a limited impact, but trying to have the banks be the ones to grant the loans means that only a small part of the population has access to reactivate their economy.

All this power to inject money through credits if we make a balance, it would be equivalent to about \$25,000.00 pesos, per company, which is no more a small respite and not the solution to the real problem, look for alternatives for reactivation, are issues that are still being found exceeded to make good decisions on how to bring aid to the Mexican economy.

All of the above from the businessmen's point of view, but what would happen if the lender is also in economic trouble? In the case of Mexico, having to request loans from the International Monetary Fund (IMF) or the World Bank (WB), which causes monetary and internal policies to be manipulated to exert greater decision on the dynamics of a country, therefore, this becomes increasingly complex and in the environment of Mexican families, it becomes the new form of slavery commercial and endless loans that work to survive.

Although it is known that if aid exists, a specialist has not yet emerged who dares to suggest an end to this crisis, nor how long it lasts, but in the economic environment there are opportunities that can be taken advantage of, in the case of Mexico, there are sectors that have been benefited, such as the basic need sectors and in the case of the health sector, however, it is not enough to project a national economy.

In the magazine article (Forbes, 2020) How much will the 'new normal' cost companies? It is the company itself.

In the context of the new reality after three months of isolation and total closure, the micro-enterprises that still survive have another challenge of adapting to the new reality, with a new investment in well-being for the client, which many of these businesses do not. They have the capital to adapt their infrastructure, but this is the least of their worries, since the retracted market and slow

customer consumption will make economic recovery a bigger challenge.

NEW BUSINESS MANAGEMENT PERSPECTIVES

In the context of organizations before the pandemic, it would be a basic administration of resource management, such as: technical resources, material resources, human resources and financial resources; achieving good stewardship by understanding the nature of resources and doing more with less.

To achieve the well-being of organizations, resources must be managed effectively, but process management makes it complex and if there is no specialized planning and monitoring, from the context of each business, therefore, being realistic, This does not happen in reality, the real context of organizations is the lack of planning, the lack of financial foresight, spending and then investing, the lack of specialization of their workers and the lack of competitiveness to reach their greatest potential.

These are the factors that organizations have and refers to a significant Mexican saying, why don't companies change, if they see that they can be better? The more complex answer is: "Because you can", this means that despite its shortcomings and errors, it can survive and the results continue, despite being mediocre results.

Another significant context for organizations is the process of development and growth, not anticipating that the market they are immersed in may collapse and that the niche they have opened, competitors may emerge that can displace them, however, the lack of this vision, makes vulnerable companies to be competitive.

The question is, can a business be managed within a threat such as the pandemic? The answer is yes, looking at it from a realistic point of view, but not optimistically, it is an

opportunity to improve processes, rethink structures, improvements in financial terms, adjust resources human and technical, improve relationships with customers, boost market and investment expansion, among other topics that help to have a successful business.

The new paradigm can help organizations to solve the needs of society, however, the transition from the normal to the new normal, can be potentiated to new channels and ways of running a business, to mention a few: the personalized structure, the use of technology, specialization in (efficient) customer service, consolidate ties with business partners, be they customers and suppliers, diversify your business and try to create your own value chain.

FORECASTS AND PROPOSALS

In this new normality, the future of companies is uncertain based on everything analyzed, however there are solutions for each problem, it is common sense to migrate to a digital environment, if it is a turn of services to try to adapt a platform that can sell and exercise the service via, virtual, in the case of education platforms, it performs in an agile manner and in real time, being with platforms such as zoom, teams or other platforms that colleges and universities previously developed, to give an example.

In the case of Mexico, there is a great opportunity since we have a concentration of population in large cities, this provides that a large majority have access to advertising and in turn direct recommendation about what can be offered, however, These types of opportunities have to be worked with care in order to turn it into profit.

Regarding value chains, they can be carried out locally to develop different industries, businesses and services, that is, integrate projects that involve all parties to promote

a social and/or economic project, in such a way that the pandemic, can be the trigger for sustainable, ecological and well-being projects that contribute to society and the economy.

The opportunity to create new ways of undertaking, new paradigms arise and in turn new ways of seeing reality, so we must be attentive to new needs and attend to them, creating new ways of solving and promoting the growth of new companies.

As a last perspective that we have to invest within the pandemic is to observe the markets and visualize an investment in the stock market, foreign exchange and / or visualize the purchase of real estate, since the opportunities will come due to the context of many entrepreneurs who unfortunately will go bankrupt. and that their assets will be auctioned off, however, it must be understood that only those who see the signs will have the ease and opportunity of this type of new prospects to consolidate and survive despite the pandemic.

CONCLUSION

In a complex environment like humanity is going through, reality can be interpreted in different ways, but I will try to be objective, based on arguments and facts. Companies in Mexico are facing a challenge, having everything against them with the pandemic, the operating restrictions imposed and the risk of contagion, every day is an economic, moral, social and even psychological challenge.

The pandemic does not have an expiration date, therefore, adapting to the new normality, with innovative ideas to be able to operate, introduce into a digital environment, in order to survive, however, the solution to the problems of companies in Mexico, does not they can only be resolved by migrating to a technological environment.

The future of Mexican companies is uncertain, they are destined to fail and those

that survive will have to adapt to a retracted and uncertain market, wealth will be diminished by measured and reserved consumption, the clients they have will be essential for them to be able to survive the company.

Trying not to be pessimistic, but realistic, the projection of new opportunities continues to be only for those who have a cash reserve and/or loan collection for credits that can take advantage of the opportunities that are going to present themselves. The new companies monopolize the market with services and new consumption strategies, where consumers are migrating to the new consumption reality, being attentive to follow trends and/or forming new ways of selling through the new platforms.

The compilation of different sources, such as: the Bank of Mexico, the INEGI, the International Monetary Fund, among other national and international organizations, show that a new world order is appearing, creating chaos and uncertainty, where those who best adapt will arrive. to enjoy a new world, commercial, social and collective.

The structures of business administration have been a pillar for any entrepreneur, from an objective, going through the goals, processes, procedures among the various activities, functions and principles that help to solve the day-to-day of entrepreneurs, this type of of beliefs that were functional and profitable in the past, will have to change and give way to a new administrative order.

Finally, business administration as it has been used for many years, will have to change at all points and strategies, thanks to these times, it has generated that knowledge arises in its dynamic cycle as it must have changed from time to time and not focus on the conformism of a few and improve every day, this does not teach that the administration will have to evolve and create new models that help to materialize the new companies

and new forms of business administration.

Understanding the complexity within an organization is the responsibility of administrators and not allowing them to die, our obligation as administrators, so in this journey, blessed are those who dare to innovate in administrative trends.

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