

# Design Of a Strategic Planning for The Company MetalProffice S.A.S in Cartagena-Colombia

**MSc.Carlos Gualdrón, Adrian de Meza and Camila Fuentes**

Industrial Engineering Program, Faculty of Engineering

Universidad Tecnológica de Bolívar

Cartagena de Indias, Colombia

[cgualdron@utb.edu.co](mailto:cgualdron@utb.edu.co) , [adrian.demeza@hotmail.com](mailto:adrian.demeza@hotmail.com), [camila.fuentes.alcala@gmail.com](mailto:camila.fuentes.alcala@gmail.com)

## Abstract

The following research work proposes the creation and implementation of a strategic planning for the company Metal Proffice S.A.S. For which a methodology was used that allowed to collect integral information of the company, with the help of tools it was possible to obtain an internal and external diagnosis of the company and thus be able to identify the shortcomings where it should be reinforced. In addition, it was possible to propose the objectives and strategic plans that would commit all the company's stakeholders to consolidate those activities that would provide a better competitive position and a significant improvement in the production areas. Finally, certain recommendations are given for the owners of the company so that they can have a long-term vision of the benefits of the project.

## Keywords

Strategic planning, strategic objectives, business diagnosis, stakeholders, and business competitiveness.

## 1. Introduction

Strategic planning has served for many years as a valid guide for the fulfillment of organizational objectives; however, the strategic planning process accepted by most CEOs found less acceptance among middle managers and other employees, who only saw it as "yet another form- filling exercise," according to Ansoff and McDonell" (Aguilera Castro, 2010). The following research work aimed to create a strategic plan focused on the company Metal Proffice S.A.S. to lead the company towards success, fulfilling in a planned and organized manner the strategic objectives proposed by the plan. At present, the importance of a strategic direction in any type of company is recognized so that they can proceed correctly in situations that arise in their normal activity and be aware of their direction in the future. It is possible to structure in this research work strategies that allow Metal Proffice S.A.S to take the initiative to improve its internal process and consequently, to enhance the solidity of the company to deliver solutions to its clients.

In the first measure, a diagnosis was made to the entire organization, analyzing each part of it to discover the characteristics of its administrative and operational processes. For this, tools that allowed external analysis such as PESTEL were used, in addition to methodologies such as Five Forces of Michael Porter to further evaluate the competition, stakeholders and other factors that influence the company. A survey was also conducted with the management to obtain more knowledge of the company from the experience gathered by the owners and operators throughout these years. The SWOT matrix was implemented to determine those strategies that could be very useful for the internal part of the company. Finally, a strategic map was designed to outline the corporate objectives, which opened the way to the development of the action plans that the organization needed. Carrying out the diagnosis of the company allowed to evaluate a structure of the situation in which the organization was located and thus facilitated the design and creation of the strategic planning that Metal Proffice S.A.S. needed.

Regarding the structure of the present investigative work, first a description of the problem of the case study will be found, where those relevant characteristics for the investigation of the market where the company operates are defined, such as the problems, events, and facts. Then an analysis of the commercialization of the organization was carried out, showing the activities in which, it is involved. Subsequently, the external and internal analyzes are specified to finally deliver the step by step to carry out the strategic plan. Finally, the action plans are analyzed and the respective conclusions of the implementation of the strategic direction in the company are delivered.

## 1.1 Objectives

### 1.1.1 General Purpose

Carry out a strategic plan in the company Metal Proffice S.A.S that allows it a greater competitiveness and leadership in the city of Cartagena de Indias.

### 1.1.2 Specific objectives

1. Carry out a diagnosis of the company Metal Proffice S.A.S using the SWOT, PESTEL and FIVE FORCES OF MICHAEL PORTER tools to evaluate the internal and external environment.
2. Design strategies aligned with the objectives of the company Metal Proffice S.A.S that allow the fulfillment of them.
3. Build action plans that help optimize the competitiveness of the company Metal Proffice S.A.S
4. Evaluate the benefits that the implementation of a strategic plan would bring within the company Metal Proffice S.A.

## 2. Literature Review

The key components of the literature review can be found in the development of table 1.

Table 1. Review References

Year	Author	Country	Objective
2010	Aguilera Castro, A.	Colombia	This article addresses some theoretical aspects from which studies business growth and strategic direction, with the main objective of establishing a first approximation to the relationship between these two themes.
2010	Arellano, R.	Perú	This Marketing book is, as its name suggests, focused on Latin America, seeking to make this discipline more useful for our realities and problems. In its students and teachers will find a complete vision of all aspects that have to do with marketing in Latin America.
2012	Martínez Pedros, D., & Milla Guitérrez, A.	Madrid	Since the "strategic map" has become one of the fundamental elements of the BSC, you must know the basic principles that sustain it. Basic principles of the strategy map. Perspectives. Goals. Cause-effect relationships. Indicators: definition; classification; requirements for the selection of indicators; some errors in the selection of indicators; indicator documentation. Goals. Initiatives.
2006	Chiavenato, I.	Mexico	The General Theory of Administration (TGA) is a discipline mainly guiding professional behavior for all those who they have to do with the administration. Instead of worrying about teaching performance or do things (or how to do them), seeks to teach, above all, what should be done (or why)

2016	Cipriano Luna Gonzalez, A.	Mexico	Businesses have evolved by adapting to the environment to be competitive. This adaptation requires entrepreneurs prepared to put all their skills into practice and diversify their businesses. Strategies must be located and thus take advantage of market opportunities. Every entrepreneur must foster creativity and develop strategic thinking in the personnel that make up the business. Therefore, this work includes an integrating case where the development of a strategic business plan is applied in general terms.
2003	Sainz de Vicuña Ancín, J.	Madrid	Considering that the minimarket aspires to be a leader in its category, it will prioritize growth targets, followed by profitability targets and finally targets consolidation or survival. Goals have been defined for each objective SMART (specific, measurable, agreed, realistic and with a defined time for its achievement).
1993	Pümpin, C., & García Echeverría, S.	Madrid	In this work the principles and methods of a strategic direction are developed through the definition of Strategic Results Positions (PER). It is a design aimed both at discovering and developing the capabilities of each company, as well as at directing strategic behaviors.
2016	Michaux, S.	Madrid	Understand the impact of Five Forces of Michael Porter on your business. Identify your business competition and understand how it affects your performance. Map out a successful strategy for your company.

### 3. Methods

The following degree work was based on conducting an in-depth study about the company Metal Proffice S.A.S, primarily addressing and analyzing the problems that were evidenced in the business diagnosis. The work was focused on the area of the strategic direction of the company, since this is responsible for the excellent performance of the company, mainly in the productive area and administrative management, which is where the different problems of the company are evident. Then, based on proposals that were presented as a solution to the problems, the exponential growth of the company was fostered in terms of strategic direction for good internal management of all processes. The company, not having a strategic direction, organized, and implemented innovative ideas in accordance with the problem raised. According to what is observed in the company, more accurate decisions can be made according to the strategies that are intended to be implemented. "Field work" visits were carried out that facilitated data collection, giving the research more reliability. The source of information reflected in this work was provided by the organization, which facilitated the collection of data through direct observation at the plant and, of course, by the opinion of the owners of the company.

This project began as a general, diagnostic, and investigative study on the company, to obtain greater knowledge about its activities and the problems that were evident from the beginning. Through different techniques and information analysis tools, such as SWOT matrix, Pestel, analysis of the Five Forces of Michael Porter, among others, with which most of the company's requirements could be met.

As Martínez Rodríguez mentions "By studying the problems, it will be possible to know the method that should be used in the investigation of this and in turn, the ways to explain, interpret or understand, as the case may be, the results obtained by the investigation" (Martinez Rodríguez, 2011). In this order of ideas, the development of the project will consider qualitative information as the main actor to help decision-making in the face of problems. The foregoing implies carrying out a prior fieldwork within the company, where information would be collected through data provided by the owners, employees, observations, perception aspects, among others. Quantitative aspects were even considered, in the case of using statistical operations such as data collection, to produce original data of the organization, also the compilation of results, to make analysis and synthesis in favor of the organization.

### 4. Data Collection

**Primary Sources:** The primary sources are all those that the population object of the project has, that is, the information that Metal Proffice S.A.S. has. For this section, the project will have most of the information provided by the owners of the company, who will provide relevant data about the activity of the organization, all this to support the project, which will allow us to carry out a good strategic direction.

**Secondary Sources:** The secondary sources of the project are based on the research carried out in previous projects, books on the subject, scientific and / or review articles. As well as various studies that represent important and significant data for the reliability of the arguments presented. The information collected will be included in the different topics that will be addressed in the project and will also be useful when using various tools that are necessary in the development of this, such as matrices, tables, text, among other tools that complement the arguments presented for the consolidation of the proposals for the solution of problems.

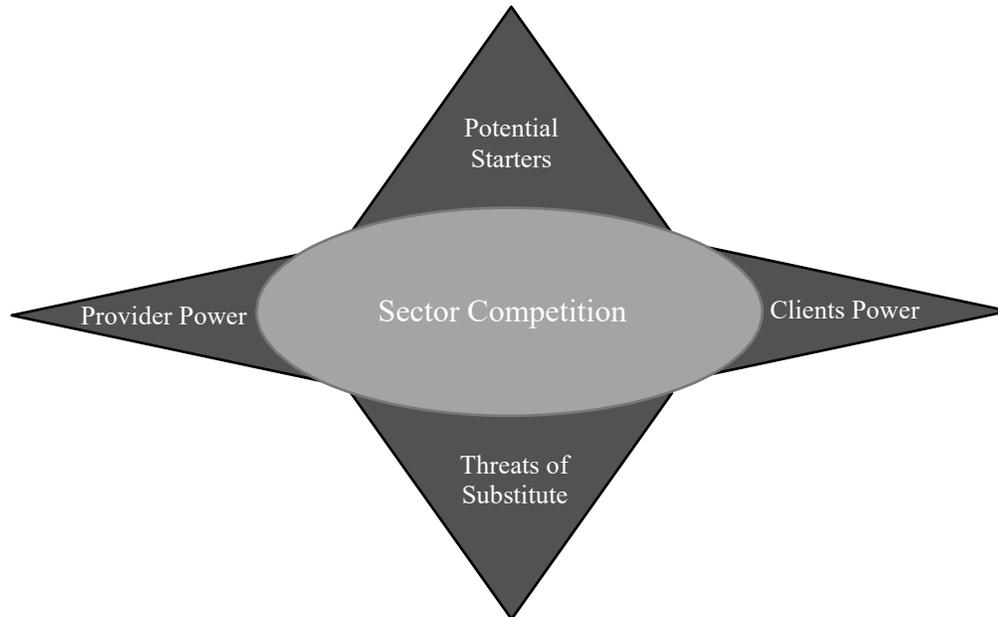
## 5. Results and Discussion

### 5.1 Graphic Results

#### • Five Forces of Michael Porter:

There is an effective tool that allows you to theoretically evaluate the external aspects of any company, see Figure 1. This tool is called "Five Forces of Michael Porter" and focuses on the competition or possible competitors that the company presents and works as a basis for an analysis of how to distance yourself from these competitors to achieve success.

Figure 1. Five Forces of Michael Porter



#### -Sector Competence:

In the city of Cartagena, the furniture manufacturing industry for schools and offices is very small. There are few companies dedicated to the manufacture of this furniture, therefore, the demand for the products is very high for the companies that carry out this activity. Currently the companies Metal Proffice S.A.S and Ofiespacios S.A.S. are legally constituted. Both companies compete for clients in Cartagena and other cities, as well as small informal workshops that manufacture furniture, taking advantage of opportunities for demand in low quantities. These small workshops, although they do not present a danger for the medium-sized companies, can grow and over time be considered dangerous skills in the future. Likewise, it should be mentioned that, in other cities such as Barranquilla, the furniture sector is very dynamic, and several companies have alliances with universities and other educational centers (main potential clients) and moderately affect the available contracts that may exist for Metal Proffice and Ofiespacios within from the city of Cartagena de Indias.

#### -Potential Starters:

As mentioned in the section on "sector competition", potential entrants can be classified as low risk and high risk, the first being small or medium-sized workshops that are dedicated to the manufacture of furniture in the city of Cartagena. Although it is thought that these workshops do not represent a high risk, they tend to attract customers much faster due to the low prices they handle on their products compared to the companies Metal Proffice S.A.S and Ofiespacios S.A.S. When we refer to potential second entrants classified as high risk, we are talking about companies outside the city that seek to expand seeking customer loyalty within the sector. These companies also seek to attract customers, position themselves in the city to monopolize the entire market and show themselves leaders in front of the others.

#### -Power of Clients:

It enters a point where customers represent a high degree of growth possibility for each of the companies. That is why Metal Proffice S.A.S must find a way to attract customers and keep them loyal to keep product sales very high and above all to create connections to improve the company's business in the case of study. One of the strategies to retain customers is to grant them benefits in the prices of their products and/or improve interpersonal relationships between the managers of each company to maintain the contracts that may exist.

**-Substitute Threat:**

The products and services demanded by schools, universities, offices, among other companies in the city, range from the adaptation of their spaces to carry out their activities, to the installation of the products offered by the Metal Proffice S.A.S. Although the company is only dedicated to the manufacture of furniture that will later be installed in educational centers or offices by partner companies such as "Meco", it is always attentive to product variations in different workspaces. Every day customers have different requests in the specifications of the products to the companies dedicated to the manufacture of furniture and that is why the main companies whose main activity is the, must play with fluctuations in demand in regarding the customization of products and not lag the competition since they would be consumed by new products with the same functions, but improved.

**-Power of Suppliers:**

Just as it is extremely important to maintain a good relationship with customers, it is also important to maintain good relationships with those who provide the necessary inputs to carry out the productive activities of the company. Maintaining good communication in addition to gaining loyalty as a customer of the seller, helps obtain benefits in terms of prices and delivery time of the products. Even more so when it comes to a company that is generally immersed in continuous demand and must produce in batches or massively. Metal Proffice S.A.S needs to respond quickly to its customers and therefore entails a great responsibility on the part of the supplier to respond to the company's demand in a timely manner to carry out its production. It should be mentioned that the longer a connection is maintained with the suppliers, the stronger an alliance can be created that it would be shown as a strength of the company Metal Proffice S.A.S compared to other competitors.

## 5.2 Numerical Results

• **PESTEL Analysis (formerly known as PEST analysis):**

Through this analysis, important instruments will be thrown to carry out and support the strategies in favor of the organization seeking to adapt and its environment, in this case to the furniture manufacturing market. For this analysis it is important to consider the following aspects or factors:

- **Politicians:** establish one or more activities carried out by the company. A clear example of these are the norms or policies established by the Government, the reforms of some trade agreements and even the fiscal policies of the countries. See table 2
- **Economic:** economic policies established by the Government, environmental factors based on such policies, and even interest rates are considered, as well as economic histories and reforms or changes in terms of inflation of the economy in the country. See table 3
- **Sociocultural:** it is important to distinguish the social variables that may influence the activity of the company or organization. Being at the forefront of changes in tastes or fashions will allow identifying risk factors in the level of consumption of the products offered by the company, in the same way, the income levels of the population and even the sizes of it. See table 4
- **Technological:** Currently the use of technological tools is an opportunity for companies to develop competitive strategies. In addition, the injection of capital in areas dedicated to researching and developing new products and / or services are unique opportunities that should be taken advantage of. See table 5
- **Ecological:** it is important to know and consider the laws of protection of the environment, the norms for the maximum consumption of energy and a correct handling of waste and recycling of waste. In addition to seeking that our activity is not one more cause of global warming. See table 6
- **Legal:** in this factor the variables to be considered go hand in hand with the rules and laws established by the Government regarding employment, safety and health at work and intellectual property rights. See table 7

Table 2. PESTEL Political Factor

Factor	Note	Impact			Chance	Threat
		Negative	Neutral	Positive		
Political	Policies to support the growth of SMEs in the city of Cartagena			x	x	
	Unstable political situation in the country	x				x
	Taxes applied to raw materials and finished products	x				x

Table 3. PESTEL Economic Factor

Factor	Notes	Impact			Chance	Threat
		Negative	Neutral	Positive		
Economic	Projection of a growth of the Colombian economy of 3.5% for the year 2020			x	x	
	Decrease in inflation in Colombia			x	x	
	GDP growth in the country		x			
	High demand in the furniture and wood industry			x	x	

Table 4. PESTEL Social Factor

Factor	Notes	Impact			Chance	Threat
		Negative	Neutral	Positive		
Social	Greater tendency to acquire furniture			x	x	

	Increase in the legal constitution of new companies and offices		x		x	
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Table 5. PESTEL Technological Factor

Factor	Notes	Impact			Chance	Threat
		Negative	Neutral	Positive		
Technological	Introduction of new specialized machinery in production processes			x	x	
	Quick access to IT tools to publicize new products (IOT)		x			
	Emergence of companies with the purpose of generating innovation projects	x				x
	Deficient% GDP dedicated to R + D + I in Colombia	x				x

Table 6. PESTEL Ecological Factor

Factor	Notes	Impact			Chance	Threat
		Negative	Neutral	Positive		
<b>Ecological</b>	Competence taking initiatives of corporate responsibility with the environment		x			

Table 7. PESTEL Legal Factor

Factor	Notes	Impact			Chance	Threat
		Negative	Neutral	Positive		
<b>Legal</b>	Corporation tax law		x			
	Tax benefits for R + D + i, environmental investment and hiring of disabled people			x	x	
	Need for the creation of Occupational Risk Prevention plans			x	x	

### 5.3 Proposed Improvements

The political situation of the company evaluated based on the PESTEL methodology brings with it possibilities to expand the brand thanks to the support that SMEs in the city receive from the government in recent years. The foregoing is predictable by the state, which has determined that, with investments in small and medium-sized companies, they will help the Colombian economy increase and therefore a decrease in inflation. MetalProffice can take advantage of the economic situation in which Colombia will find itself (especially the region in which it is located) where, increasingly, the high demand for furniture is fundamental for the large number of public and private entities that are creating and legally constituting in the city, which need all kinds of products from chairs, tables, among other types of furniture for offices and / or schools. In addition, the good management of its production systems will quickly position it as one of the best due to the increase in labor productivity and fulfillment of orders that bring with it an increase in sales, thus fulfilling one of the objectives set by the owners.

According to the PORTER analysis carried out, certain external points are also rescued, but focused on the rivalry of competitors and on the qualities that the company must maintain to have a good relationship with customers and suppliers. In the context of the market, companies compete to have the best customers and strive to fully retain them with the company. After all, they are the ones who collaborate with the business growth that the company seeks. MetalProffice must generate very strong social relationships with its stakeholders and must respond quickly to their needs to keep competition below. On the part of potential entrants to the furniture manufacturing business, although there are not many, one must be cautious of the emergence of any company with new ideas for customers since they could sound very attractive and consequently sales would decrease.

This analysis to assess the external situation helps to complement the objectives that would be about to be created for the strategic direction. Now, a last analysis carried out at work was decisive for the placement of company goals. This is called SWOT analysis and it is a tool that allowed us to know the company internally, evaluating its strengths, opportunities, weaknesses, and threats. It should be mentioned that not everything was investigative and thanks to the information provided by the owners it was much easier to draw conclusions about the internal situation of the company. Based on the strategies that were deduced from the classification of the aspects, the company in relation to its strengths and opportunities needs to improve the space of the facilities to maintain order in the production area, as well as to introduce new machines and generate innovative ideas to attack potential threats from the competition. Encouraging both administrative and operational personnel for the continuous improvement of the company is vital to build a development environment aimed at meeting the objectives. So, the creation of action plans to achieve certain goals becomes an opportunity for management for the company to enter the market considering its current situation.

## 6. Conclusion

In this project, it was sought to implement a strategic direction to the company MetalProffice S.A.S that leads it to success without omitting the objectives proposed by it in different administrative or operational areas. Additionally, the creation of this project contributes significantly to the growth of the company as it provides a fundamental pillar that every company needs to efficiently develop and fulfill production tasks. It is recognized that the market in which the company operates is very competitive and that is why many companies tend to seek innovative alternatives to stand out from the rest. Sometimes it is not enough to offer the best product but also to know the company's way of working to improve internally to optimally face external factors, realizing the processes and integral solutions that there are to offer to customers. The work addressed the situation that the company manifests to understand both internal and external strengths and deficiencies. Its analysis was carried out through strategic evaluation methodologies such as SWOT, Pestel, Five Forces of Michael Porter and through surveys carried out with the owners of the company. Finally, an analysis was carried out on the scenario and the current influence of the company in the market and then applying a strategic direction based on the main needs. The market study and analysis of the Five Forces of Michael Porter, allowed to identify and corroborate that the Colombian market is saturated with competitors that carry out the same activity, however, in the city of Cartagena the advantage of having only two companies was found legally constituted including the one in this research study, that is, despite the large number

of national competitors, MetalProffice has the possibility of growing as it captures most local clients. In addition, among other findings identified during the development of the work, we can mention the importance of loyalty throughout the company's supply chain, this to meet all the objectives that management must increase its profits and in turn satisfy the essential needs of customers. Therefore, the company must apply quick solutions where it maintains good relationships with customers and suppliers, just as it needs an injection of capital from the owners to improve the production area. It is worth mentioning that the ecological part was a very important point found in all the research, thanks to the Pestel analysis the opportunity to recycle the surplus of the raw material was evidenced and obtain monetary benefits from this action. It should be noted that the Colombian state grants companies tax benefits for the simple fact of causing a neutral (not positive) impact on the environment through the intervention of the recycling process, which avoids subsequent and increasing contamination in the area. Among other opportunities, it was found that the implementation of an area of innovation and development in the company and that targets within this business sector, will help to obtain new products and services that are unique in the market, becoming attractive to any client. In addition to the above, the hiring of people with disabilities, beyond being part of the benefits that companies can obtain, provide employment to a sector of the Colombian population that can hardly obtain decent job stability.

As proposals for the company to improve significantly and maintain a reliable status in the market, management can seek strategies for minimizing costs and exponential growth in sales, through good production and design of its products as well as management of a good marketing campaign, providing the company with excellent profits. Also, by implementing all the management systems or, failing that, those that mostly cover the organization, it would help to provide highly certified and safe products and services. However, it is vitally important that the company in such case does not have the experience in implementing a management system, it must turn to an expert consultant on the subject so that it can develop the necessary processes and help the company to be certified quickly and without wasting money. Everything previously described is the conclusion that was determined for MetalProffice to be able to take advantage of all those alternatives that seek to improve quality management within the company, the inclusion of new products in the market and the optimization of the service to retain customers. Since, in a certain way, they are the main strategies that you must implement to position yourself among the best companies in Cartagena.

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## **Biography**

**Carlos Gualdron** is working as a Professor at Universidad Tecnológica de Bolívar, where he is in charge of several research projects of the Master in Project Management. He is Industrial Engineer from Universidad de La Sabana (Colombia), Master in Project Management from BPP University (England). He works on Project Management issues in different sectors of the national economy. Additionally, he is part of the Caribbean chapter of PMI, based on international standards for project management. He has advised several projects in strategic management and Business Case development.

**Adrian De Meza R.** He is an industrial engineer graduated from the Technological University of Bolívar, Cartagena, Colombia. He has published an article on the ResearchGate GmbH platform about the quality of care in health services in Colombia. I carry out a research project focused on the creation of strategic planning for a furniture manufacturing company and thus opt for his professional title. His research interests are related to his visualization in postgraduate degrees related to automation and project management.

**Camila Fuentes** is a student of industrial engineer from Universidad Tecnológica de Bolívar.