

## **THE MODEL UNDER THE THEORY OF HIGH SOCIAL IMPACT COMPANIES TO OBTAIN SUPPORT FOR COFFEE GROWERS IN THE REGION ZONGOLICA, MEXICO**

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**Summary:** Coffee growers in the Zongolica region have been gradually abandoning their crops, devoting themselves to other activities that include the phenomenon of migration, because the prices at which they buy coffee are very low. The public policies of previous governments have not allowed the development of the region and there is no agency responsible for training them. This project aims to improve the coffee growing area, generating jobs, helping coffee growers through the fair payment of coffee, the strategic plan for generating government support that benefits coffee growers associated with them, emerges as a tool to incentivize the field Coffee in Zongolica. The model will allow the social enterprise to know its situation not only in the area of financing but also in all areas of the company, the company's strategies are for the proper functioning of it.

**Keywords:** Coffee, social benefit, business management.

### **INTRODUCTION**

In the Zongolica region, coffee growers have been gradually abandoning their crops, dedicating themselves to other activities that include the phenomenon of migration, because the prices at which they buy coffee are very low. The public policies of previous governments have not allowed the development of the region and there is no agency responsible for training them. The current economic crisis has come to corroborate, once again, the strong interrelation between the economy and society [2,9]. The weakening of the financial sector and the consequent slowdown in consumption and investment have had a very important impact on the quality of life of citizens in much of the regions of the world [5,19].

Due to the physical and social conditions and high marginalization of the indigenous groups that prevail in the Zongolica region, for the creation and development of a Social Enterprise Model, it must be based on the National Plan for Integral Development for Sustainability and Indigenous Self-Sufficiency, based on the Organizational, Productive, Social and Environmental axes, which is based on Article 2 of the Mexican Constitution and

Convention 169 on the rights of Indigenous Peoples.

At present, it has been observed that successful companies are those that have a social impact that apart from the economic value they can generate, is responsible for generating the social welfare of customers and suppliers [1,3,4]. An exact definition of social enterprises is not found, however the proposal by Iglesias [16] consists in defining as social enterprises those that return to various sources and traditions, and is constructed from three basic axes: the creation of social value as an objective priority, the creation of economic value, and the strategy and business approach [14,20].

Social enterprises offer society answers to certain problems or generate new opportunities that contribute to their improvement [26]. They are companies whose main objective is a social benefit over economic, although economic sustainability is an important requirement, as one of its objectives. The generation of social value is associated with the necessary creation of economic value [6.21].

Social enterprises generate income that ensures their economic sustainability and financial independence [18]. That does not mean that a company that is not sustainable in the short or medium-term cannot be considered a social enterprise since the creation of economic value must be part of the objectives of a social enterprise. However laudable their objectives may be; If a project is not capable of generating long-term economic value, it cannot be considered a social enterprise [12,27].

According to Osterwalder [22], Business Models that focus on this type of market do not distinguish between different market segments. The value proposition, distribution channels, and customer relations all focus on a large group of clients with similar needs and problems in a broad manner. Market niches focus on specific and specialized market segments, where the value proposition, distribution channels, and customer relationships are designed for the specific requirements of the market niche. "

Some authors [7,8,10,23,29] point out that certain models distinguish between market segments with small differences and problems with similar needs and problems but with variations, in which a company with a diversified business model can serve two unrelated segments, the multilateral platforms or markets being the entities where some companies serve two or more interdependent customer segments, both segments must operate the model.

The value proposition block describes the package of products and services that create value for a specific customer segment. The Value Proposition is the reason why customers choose one company instead of another, so it solves a customer problem or satisfies a market

need [13, 28]. However, according to Defourny and Nyssens [11], each Value Proposition consists of a selected group of products or services that serve the requirements of a specific customer segment. Some Value Propositions can be innovative and represent a new or radical offer, others may be similar to those offered by the existing market, but with added attributes and features [25].

To create social and economic value, the configuration of sustainable market solutions is required to respond to the challenges posed [15,17]. This requires the organization of resources based on criteria of efficiency and competitiveness, elements that we could say are characteristic of the business world. The social enterprise uses business principles and tools to create, organize and manage an initiative that generates social change [24]. For all the above, the Model of a strategic plan emerges, under the current of a company of high social impact, that benefits coffee growers in the Sierra de Zongolica, through obtaining government financing to improve coffee cultivation.

## **METHODOLOGY**

The main objective of the company is to consolidate a high social impact, benefit the coffee growers of the Sierra de Zongolica and in the same way give a boost to coffee and consolidate as a coffee zone par excellence. Coffee is a very significant issue that is capable of attracting the attention of people and organizations, however, the main idea should be to help people who dedicate themselves to coffee planting improve their quality of life, which He carried out this work.

The theme that was developed within a company located in Zongolica, is the realization of a Strategic Plan for support management that benefits the region. To carry out this work was based on the following activities that will be explained below, it is important to mention that each activity is divided into two stages, one applied to Zongolica coffee and the next one is for associated coffee growers.

1) Market studies: This activity was carried out to measure the impact that Tatiaxca coffee has had on consumers, the interest each of them has in the coffee offered by the company, see the scope that coffee has had and This form began to consider new ways of working. The population that was taken into account was the 2000 clients of the Tatiaxca coffee company portfolio distributed in countries such as Tlaxcala, Estado De México, Nuevo León, Coahuila, Tabasco, Veracruz, Jalisco, Puebla, Campeche. To determine the samples to study the first step was the samples by areas. The samples by areas were the areas where the potential clients of

the company reside through a more accurate sample of the clients, stratified random sampling was performed.

$$\frac{30}{1000} = \frac{X1}{300} = 9 \text{ clientes de Nueo Leon}$$

$$\frac{30}{1000} = \frac{X1}{100} = 3 \text{ clientes de Baja California}$$

$$\frac{30}{1000} = \frac{X1}{100} = 3 \text{ clientes de Sonora}$$

$$\frac{30}{1000} = \frac{X1}{300} = 9 \text{ clientes de Estado de Mexio}$$

$$\frac{30}{1000} = \frac{X1}{200} = 6 \text{ clientes de Guadalajara}$$

2) A questionnaire was sent that was sent through email and social networks, where they were asked about the attention they had received by the Zongolica coffee collaborators and that helped us measure satisfaction.

3) A study was carried out on coffee growers to know the situation in which their coffee plantations are located, the economic situation they are going through, and the needs they have. The transfer to each of the coffee growers' farms was carried out to ask a series of questions in this way the status of each coffee grower was known. When the farms were studied, the state in which they had each one was observed and their most important characteristics were noted.

For the creation of the business plans, the investigation of the models used by the aforementioned authors was carried out, finding that the most appropriate was the one developed in the Spanish universities called Model Canvas, which is shown in Figure 1.

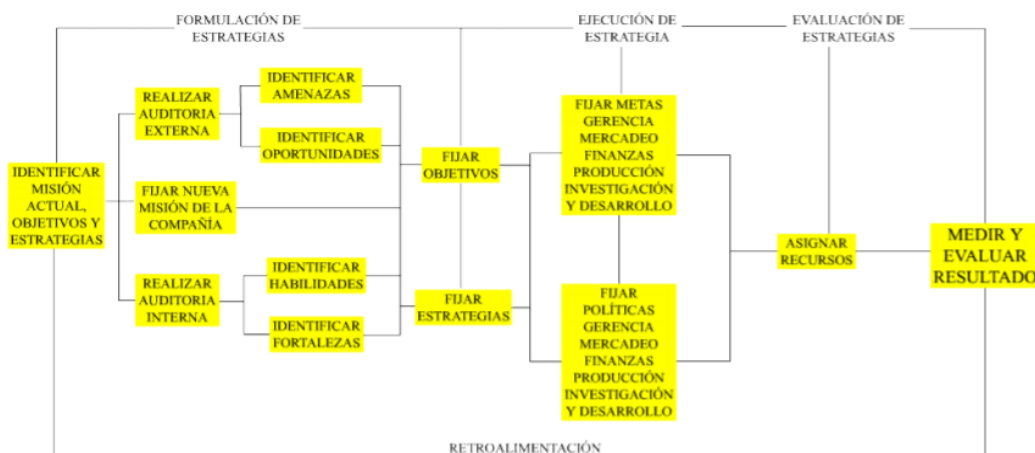


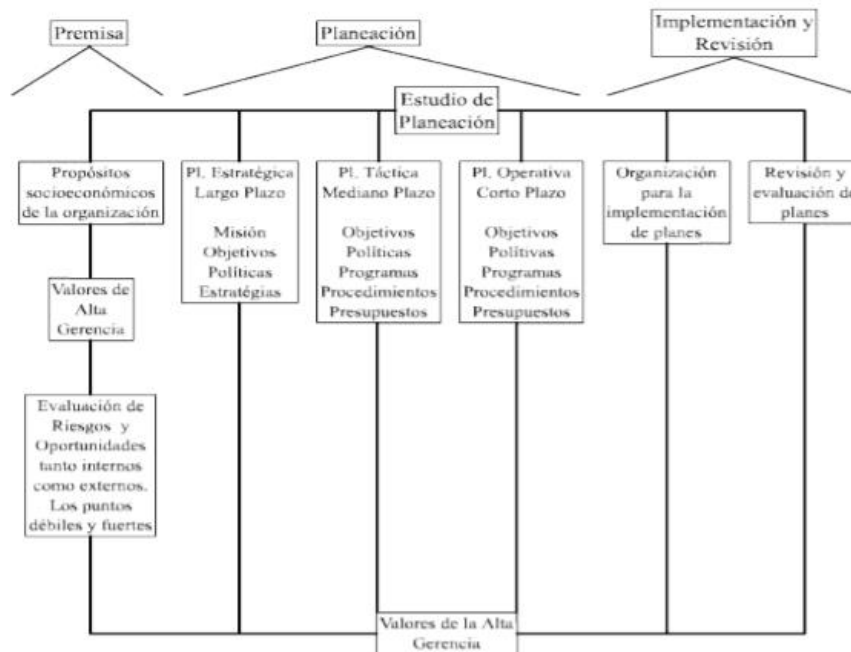
Figure 1. Model Canvas

**RESULTS**

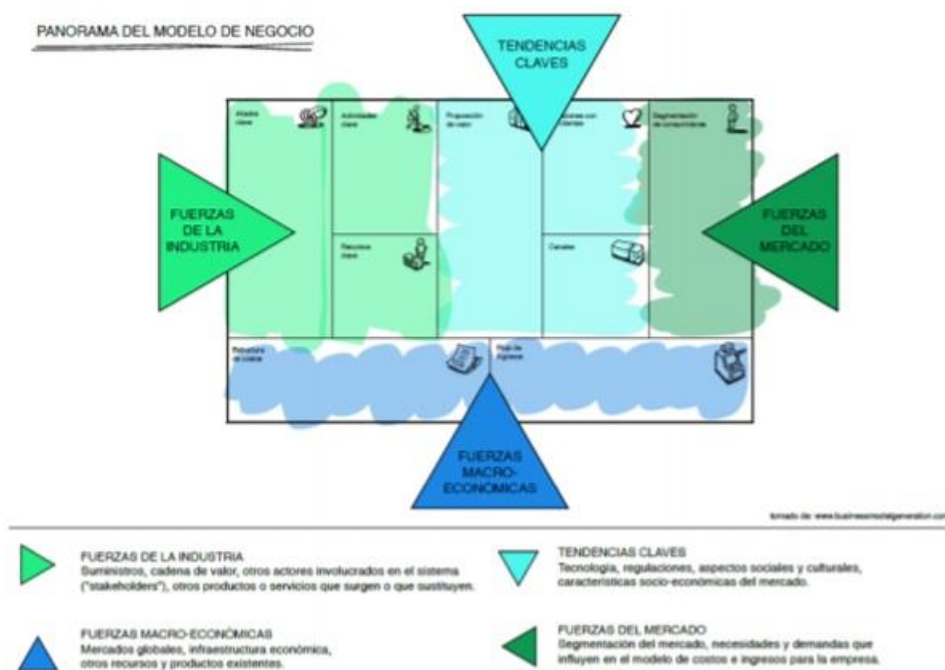
The results of the questionnaires applied were evaluated favorably, the emails sent to each selected sample were answered, where 93% of the responses showed us that the coffee sent met the expectations they had.

The coffee of the region is classified as Organic - Artisan, extracted from the best roots, grown between 1000 and 1400 meters above sea level, without the use of chemicals, fertilizers and with the use of a plant association system (legumes, jinicuil or cuff); which provide nitrogen to the soil and the banana provides organic matter and moisture.

However, the situation in which the cultivars were at that time, is total neglect, since there is no initiative and motivation to continue growing coffee, coupled with that the prices were very low for the activities that are required the good management of the activity. Among the shortcomings that were found are the ignorance of effective cultural practices both in plants and in soil management. On the other hand, the lack of organization for the post-harvest and marketing process was also observed. The Planning Models and Business Model are shown in Figure 2 and 3.



**Figure 2.** Planning Model.



**Figure 3.** Business Model.

The main purpose of this work was the realization of the strategic plan for obtaining financing, for which we worked on the methodologies outlined above:

1. Business Philosophy. Being a company committed to its customers by offering a product that meets quality standards under international standards, to meet the needs demanded by the market. Being a company that was born as a productive project, it is committed to the coffee zone to promote the development of such through the implementation of training programs, for the improvement of coffee cultivation techniques, thus improving the quality of life of producers.
2. Human development. Being a company that cares about human resources by providing adequate training, promoting values and teamwork. It is intended that each training be fed back with an exam to verify the knowledge acquired and at the same time evaluate the trainer. As a company, we seek to organize coffee growers in an organization and obtain certification.
3. Mission: Promote the artisanal and sustainable cultivation of coffee for the improvement of the agricultural sector and the quality of life in the Sierra de Zongolica.
4. Vision: Recognition at the national and international levels.

## CONCLUSION

Companies that buy coffee in Zongolica only see the economic benefit that they can receive, but they are not interested in improving the crop or giving them an incentive to produce better quality coffee. Currently, coffee production is facing serious problems and this aggravates the

economic crisis of the few families that are still engaged in this activity. Therefore, it is necessary to implement effective solutions that reverse these problems. Social companies offer society answers to certain problems or generate new opportunities that contribute to their improvement sustainably and economic sustainability. Social enterprises should be aimed at generating social value and seeking the creation of economic value. This requires the organization of resources based on criteria of efficiency and competitiveness, characteristic elements of the business world, using business principles and tools to create, organize and manage an initiative that generates social change.

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