



UNIVERSITY OF AZUAY.

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**DIAGNOSIS OF THE EXPORTABLE OFFERING IN THE CANTONS OF PAUTE
AND GUACHAPALA.**

**Graduation project prior to obtaining a third level degree in International Studies
bilingual mention in Foreign Trade.**

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This work and its effort is dedicated to my parents for their love and unconditional support in everything that has involved my educational process. To my younger brother to take it as an example that every effort has its reward and to all the people who in one way or another have been giving me their support while this was making possible.

Nicol Paulina Garzón Cordero.

This work is dedicated to my parents, who have been the ones who have impelled me to believe in myself and to show that nothing is impossible if it is done with effort and sacrifice. In the same way dedicate this work to my grandparents, who thanks to their unconditional love have been my engine to move forward in each of the stages of my life. Finally, to each of the people in general who gave me their support throughout this process.

Christian Andrés Lucero Jara

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ABSTRACT

Foreign trade was born out of the need for countries to exchange both goods and services. It had its beginnings with the so-called Silk Road, and it continues to this day. Throughout its evolution, many important milestones have happened where it began to acquire greater importance; among them was mercantilism, which considered foreign trade as a source of economic development. Thus, throughout the passage of time, various theories of internationalization that try to explain the reasons why countries trade with each other has originated.

Given the evolution of trade, small and large companies are born as a form of development, which are of great importance for the economic development of a country, since from an economic point of view, they are the generators of goods or services for exchange with other countries, and from a social point of view, they are generating jobs. This is how, in Ecuador, small and large companies play an important role in the economic development of each of the provinces, and therefore a study of them is necessary.

The province of Azuay is divided into 15 cantons, including Paute and Guachapala. Paute has a warm and temperate climate, has seven parishes where it's productive activities such as fruit orchards, fine woodwork, straw handicraft crafts, and typical gastronomy, to name a few, stand out. The main economic activities are agriculture, livestock, forestry, fishing, wholesale and retail trade, and manufacturing and construction. Guachapala, a canton that, unlike Paute, is not divided into parishes, on average has a varied climate whose temperatures ranges between 4°C on the lower end, and 14-16°C on the higher end. With regards to production, Guachapala has associations that are dedicated to growing different types of fruit trees and vegetables.

In the cantons of Paute and Guachapala, different interviews were carried out with producers of the cantons, where tests for potential exportation were conducted based on the tests used by PROECUADOR and Minister of Industries and Productivity (MIPRO). The tests were divided into four areas: administrative, financial, productive, marketing and sales. At the end, a qualification was given to the producer that determined whether its production is suitable for export or not. In Paute, through a list provided by the Minister of Agriculture (MAG), fourteen associations were determined, of which 6 were interviewed, in the same way that had been done in the parish of Bulán, where sixteen producers of kidney tomato were interviewed (greenhouse tomato or table tomato), two producers of plants, and to a company dedicated to the manufacturing of ceramic products for the garden and table industry. In a similar way in Guachapala, through a list provided by the MAG, the seven existing associations in the canton were interviewed.

Once the interviews with the different producers were carried out, SWOT and Cross-SWOT analyses were conducted, applying different strategies that make it possible to observe what has affected the market of fruit trees, vegetables, and plants in, for example, the entry of products from Peru, both because the product that enters is cheaper, and because of the plagues that it brings at the time of entry. Likewise, fluctuations in prices within the market is another aspect that affects producers, since prices vary according to the season. In addition, it was observed that one of the main factors that the different actors should integrate in their

businesses is the establishment of short and long-term objective measures to face possible problems and in the same way they do with regards to financial record.

INTRODUCTION

The following document is an analysis and diagnosis of the exportable supply that exists in the cantons of Paute and Guachapala from the province of Azuay. The study is focused on collection of data on the production in the places mentioned above and analyze it. The aim of it is to know if in the future there is a possibility or not to export the products coming from this area. It takes also into account the different actors and factors involved in what production is about and what it would be the necessary measures to be taken.

In order to carry out this study it was necessary to have knowledge about different concepts such as; foreign trade, how foreign trade has developed in Ecuador, what are Small and medium-sized enterprises (SMEs), what the standards are for a small or medium-sized company to be considered as SMEs, the participation and importance they have in the economy of the country, the concept of internationalization and how it works respect to SMEs, as well as issues that will be discussed throughout this document.

It was very important to study the relevant data of the cantons being analyzed to be aware of the reality in which they were developed and to consider the difficulties that may exist in areas such as their economy and production. Existing production in the cantons is the main subject of study to the development of this analysis. It was also necessary to know how the different productive actors of the zones were organized, for example, whether they work individually or in an associated manner and why.

Regarding to what the analysis of the production was and the way of work that existed in the two areas already mentioned, it was necessary to conduct interviews with the productive actors of both cantons to know the conditions in which they work. In addition to the interviews conducted, the study also analyzed the strengths, opportunities, weaknesses and threats, known as SWOT analysis and analysis of strategies to determine what are the advantages and disadvantages that productive actors have, and which are the factors that generate them. This way will help to get clear conclusions and recommendations for the improvement of production in the zones and their economic development.

CHAPTER 1: ANALYSIS OF THE THEORY OF INTERNATIONALIZATION AND SMEs.

Currently the trade of goods and services represents the economic base of most countries worldwide. This is a reason why it is essential to know what elements and factors make up the trade. The theories were different decisions are based on and the positions adopted by the countries in the commercial sphere as well as the engines of trade. The last ones being the companies of both goods and services which allow this exchange to take place worldwide.

1.1 THEORY OF FOREIGN TRADE:

Foreign trade originated thanks to the need of the countries to exchange their goods and services for the distribution of economic resources fulfilling requirements such as: knowledge and complementarity between different regions since trade crosses borders.

The history of foreign trade began with the so-called Silk Road. Historically this route joined the Roman and Chinese empires. It consisted of a network of trade routes between Europe and Asia, extending it from Chang'an (currently Xi'an) in China, Antioch in Syria and Constantinople (Istanbul, Turkey) and reached to the Spanish kingdoms in the fifteenth century. Its beginnings date from the 3rd century BC and it existed until the sixteenth century of this age (Sosa, 2014).

The name of Silk Road was created by the German geographer Ferdinand Freiherr Von Richthofen and it was so because the most valuable commodity that circulated along this route to be traded was silk. The manufacturing of silk was a secret that only the Chinese knew and whose disclosure was punishable even with the death penalty. That is why it was considered a very important commodity. Silk, stones and precious metals, spices, glass, manufactured materials and porcelain circulated along this route. Besides those products, exchanges of commercial practices, religious beliefs, scientific knowledge, technical innovations, cultural uses and artistic expressions also circulated along it (UNESCOPRESS, 2014). The silk route was the first route traveled by merchants between the European continent and China, which gave rise to the evolution of foreign trade and the existence of relations between regions.

Following the evolution of foreign trade mercantilism began to acquire greater importance in the sixteenth century. It focused on foreign trade as a source of economic development. A country was considered rich or poor depending on the amount of gold, silver or precious materials that it had. That based on the fact that nations seek to acquire more wealth at a lower cost by putting into practice what was known as protectionism. Defined as a state intervention in the economy through measures and introduction of agreements that favored exports and, in turn, created barriers that hindered imports, which led to the understanding that the use of foreign trade to increase wealth, also increased the power of countries (Rojas, 2007).

Foreign Trade is one of the activities that have contributed the most in economic and social change. For example, in 1760, the beginning of the industrial revolution in the United Kingdom along with the dominion that this country exercised over maritime traffic made of it the first economic power in the world. Thus in the eighteenth century the foundations of the modern international economy were laid: capitalism that until then had a component above all commercial is progressively transformed into industrial capitalism (Arosemena, 2012).

To open the markets to new industries, barriers to trade established in previous centuries were eliminated in order to protect commercial traffic with the colonies. During the nineteenth century, liberalism continued to gain ground in protectionist positions supported by the theories of comparative advantage and the international division of labor. It was estimated that freedom of trade provides more welfare to nations than protectionism (Arosemena, 2012).

To understand foreign trade even more there are theories that try to explain the different reasons why countries trade with each other. Among these theories are the absolute advantage of Adam Smith, the comparative advantage of David Ricardo, and the Hecksher-Ohlin model (OEA, 2017).

The theory of absolute advantage posed by Adam Smith around 1723 emphasizes the importance of free trade for the increase of the wealth of nations. This was based on the example that no householder would try to produce at home a good that would incur a higher cost than buying it. If this example were specifically applied to a foreign country "A", it would be concluded that "A" could provide another country "B" with a cheaper good than country "B" could produce it. In this way absolute advantage can be defined as the ability to produce a good at a lower cost measured in terms of work units (Smith, *Investigación de la Naturaleza y Causas de la Riqueza de las Naciones*, 1974).

The absolute advantage assumes that the production cost of a given good is lower in absolute terms regarding to the costs of other countries. This advantage can come from favorable natural conditions (mines, fertile fields, etc.), a low production cost (wages), or technological superiority. It focuses mainly on the fact that each country must produce what it is specialized on in order to have the best possible efficiency and trade between the specialized products that each country has. (Smith, *Investigación Sobre la Naturaleza y Causas de la Riqueza de las Naciones*, 1974)

In 1817, David Ricardo, worked on the absolute advantage theory to reformulated it. He created a new theory of foreign trade called comparative advantage. This theory has to do with the capacity of a country to produce using fewer resources than other. In other words, a country must specialize in what it is better at production by taking into account the costs and not only the absolute advantage (Ali, 2007). However, since the end of the 19th century and until the second half of the 20th century, foreign trade turned to a protectionist situation provoked by the political instability and armed conflicts that took place during that period (Arosemena, 2012).

The Hecksher model or theorem was born around 1933, which focuses on the abundant factors that each country has. For example, if a country has a large amount of a factor that can be capital or labor, this will have an absolute and comparative advantage in the goods which such factor is required. This theorem concludes by saying that each country will export goods which production required abundant and relative factors, in turn importing goods where production uses expensive and scarce factors (Fernandez Díaz, 2016).

From 1945 onwards, it was a stage that continued up to the present day along with a sustained growth in world trade that has led to a situation in which the international political-economic environment is affected, for example, in business decisions. This phenomenon is

especially significant in the case of multinational companies whose activities are affected in a very intense way by the alterations of the international economic environment.

Before the creation of the WTO from 1948 to 1994, the General Agreement on Tariffs and Trade (GATT) established the rules applicable to a large part of world trade. Despite its appearance of solidity, the GATT was on an agreement and an organization of a provisional nature during those 47 years. After the end of the Second World War the GATT was signed. It was signed in 1947 by 90 countries in order to promote a more open, stable and transparent world-wide commercial order and fight against protectionism. It established a code of good conduct among the signatory countries and promote world trade by reducing tariffs based on a principle of reciprocity (OMC, 2017).

GATT contemplated agreements aimed at obtaining a substantial reduction in customs tariffs and other trade barriers, as well as the elimination of all discriminatory treatment in international trade. The agreement consisted of a set of rights and obligations that should be respected by the subscribing countries. The GATT served as a framework for conducting general rounds of negotiations between countries. A total of 8 rounds were held: Geneva Round (1947), Annecy Round (1949), Torquay Round (1951), Geneva Round (1956), Dillon round (1962), Kennedy round (1967), Tokyo round (1973), Uruguay round (1986). This last round culminated in 1994 after a long negotiation process that allowed the creation of the WTO in replacement of the GATT in 1995 (BRC, 2017).

Regarding to what foreign trade is, The World Trade Organization (WTO) is an international entity that deals with the rules governing international trade between countries. Its main objective is to help producers of goods and services as well as exporters and importers in their activities through the opening of trade for the benefit of all. The fundamental pillars of the organization are the WTO Agreements which have been negotiated and signed by the clear majority of countries that participate in world trade and ratified by their parliaments. It is headquartered in Geneva, Switzerland and has 164-member countries (OMC, 2017).

At present, the WTO represents about 95% of world trade. All WTO agreements must be ratified by the national parliaments of the member countries. The highest decision-making body of the WTO is the Ministerial Conference, which meets at least once every two years (OMC, 2017).

The main activities of the WTO include the following:

- Negotiating the reduction or elimination of trade barriers (import tariffs or other trade barriers) and agreements on the rules governing international trade (for example, in the areas of anti-dumping measures, subsidies, product standards, etc.)
- The administration and monitoring of the application of the agreed rules of the WTO that regulate trade in goods, services and the aspects of intellectual property rights related to trade.
- Monitoring and review of the trade policies of its Members and the achievement of transparency in regional and bilateral trade agreements.
- The solution of differences between the Members on the interpretation and application of the Agreements.

- Strengthening the capacity of public officials from developing countries in matters related to international trade.
- Provision of assistance in the accession process of some 30 countries that are not yet members of the Organization.
- The conduct of economic studies and the collection and dissemination of commercial data in support of the other main activities of the WTO.
- The explanation and dissemination to the public of information about the WTO, its mission and its activities (OMC, 2017).

In addition to the WTO, there is another entity which has also become an actor of foreign trade, such as the World Bank. It plays an important role in terms of trade and investment conditions in developing countries as well as of the trade and investment policies that they adopt. These institutions promote the liberalization of trade and investment through macroeconomic and sectoral evaluations, technical assistance and loans for projects and policies (BM, 2017).

The World Bank is primarily interested in issues related to long-term development and poverty reduction. The World Bank is a nonprofit organization that provides nearly \$ 20 billion in aid to countries in both development and transition each year. It was originally established in 1945 with the purpose of helping in the reconstruction in Europe after the Second World War (BWP, 2005).

The World Bank Group has two objectives: end extreme poverty in the course of a single generation and promote shared prosperity. To end extreme poverty, the Bank's goal is to reduce the percentage of people living on less than US \$ 1.90 a day to 3% by the end of 2030. To promote shared prosperity, the goal is to promote growth of the income of the population of all countries that is situated in the bottom 40% of the income distribution. The World Bank is a fundamental source of financial and technical assistance to developing countries around the world. It is not a bank in the usual sense, but a unique organization that seeks to reduce poverty and support development (BM, 2017).

The World Bank consists of five financial institutions which include:

1. The International Bank for Reconstruction and Development: Its purpose is to grant direct credits to the federal governments of member countries.
2. International Development Association or International Financial Association: Its purpose is to grant direct credits to the federal governments of the poorest countries and that are not subject to credit for the IBRD.
3. International Finance Corporation: Provides financial assistance and its objective is to promote the growth of less developed countries.
4. The Multilateral Investment Guarantee Agency: Its purpose is to promote indirect foreign investment.
5. The international dispute settlement center for investment: Provides conciliation and arbitration procedures aimed at resolving differences between foreign investors and recipient countries (Galindo, 2016).

1.1.1 ECUADORIAN FOREIGN TRADE:

Ecuador's foreign trade begins with the export of primary products; that is, products without added value such as cocoa, bananas and oil, which in their time did offer significant income to the country, but still they didn't ensure a strong development due to the lack of planning and autonomy that existed in Ecuador.

At present, among the main productive activities of Ecuador are agriculture and oil exploitation. Regarding agriculture, the country is engaged in the production of bananas, cocoa, flowers and vegetables.

In order to get more knowledge about what Ecuadorian foreign trade is, it is important to know in what current situation is its trade balance, its exports, imports and the export destinations with which it works.

1.1.1.1 BALANCE OF TRADE:

According to the Central Bank of Ecuador, "The Commercial Balance from periods January – October 2016, register a surplus of 1,201.8 USD millions, such behavior belongs to import decreases" (Banco Central del Ecuador, 2016). Compared to 2015, 2016 it was a significant improvement since coming from having a deficit to a surplus. This was due to the decrease in imports as the document said, this decrease in imports occurred for several reasons of which the main ones were the tariffs and taxes that were established in those years and also by the incentive on the part of the government to acquire product made in Ecuador instead of abroad.

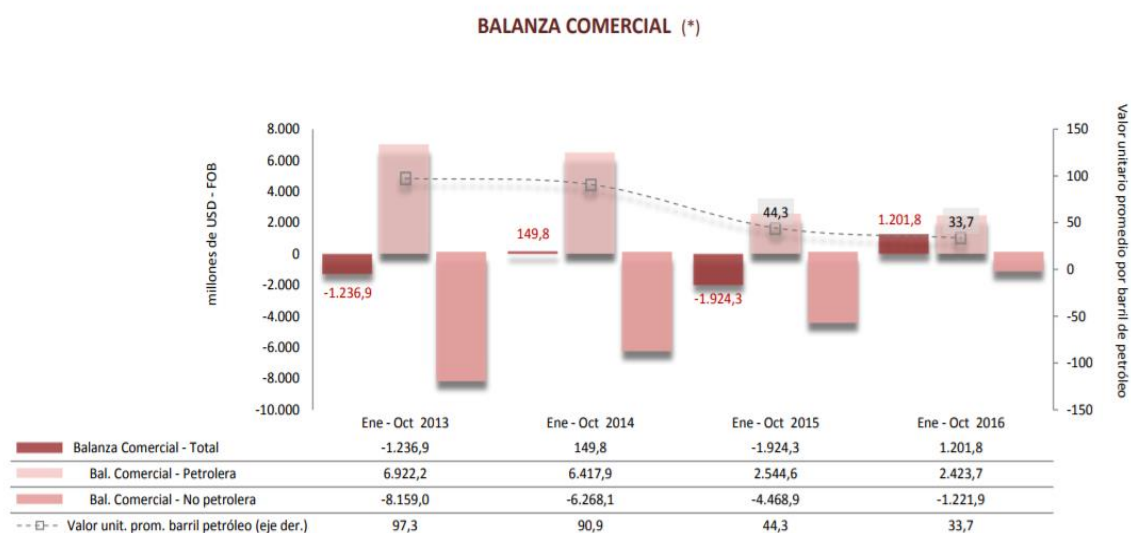


Figure 1 Balance Trade

Source: Banco Central del Ecuador, SENAE, SHE, EP Petroecuador

Figure 1 features a comparison of the trade balance between the months of January to October in the years between 2013 to 2016 for both the oil and non-oil-based industries. All figures quoted are in billions of dollars.

1.1.1.2 EXPORTS

"During January and October 2016, total exports reached USD 13,778.4 billion. In relative terms, they were lower by -12% (USD 1,882.9 billion) in relation to the same period of 2015 (USD 15,661.3 billion) " (Banco Central del Ecuador, 2016).

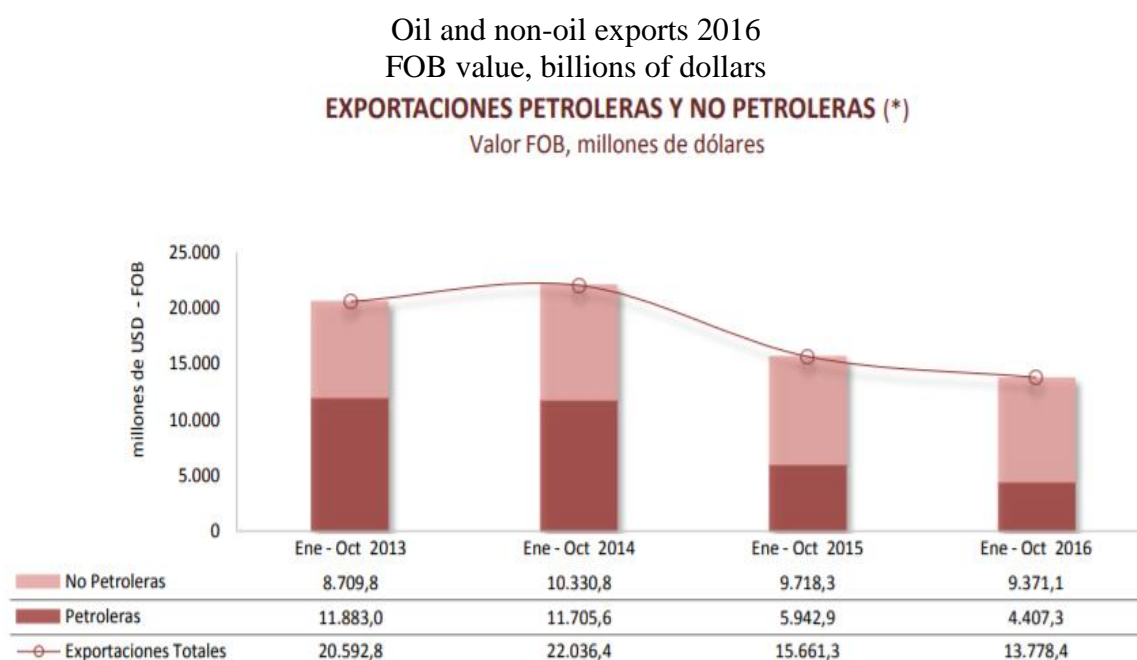


Figure 2 Oil and non-oil export 2016

Source: Banco Central del Ecuador, SENA, SHE, EP Petroecuador

Oil exports, in volume, during the analysis period (January - October 2016) decreased by 0.9% compared to the result registered in the ten months of 2015, going from 18,685 thousand metric tons to 18,515 thousand metric tons. In FOB value, external oil sales experienced a decrease of - 25.8% (USD - 1,535.6 billion), from USD 5,942.9 billion to USD 4,407.3 billion. The average unit value of the exported barrel of oil and its derivatives decreased by -25.4%; from USD 44 to USD 33.

The non-oil exports registered between the months of January and October 2016 were USD 9,371.1 billion, amount lower by 3.6% (USD 347.3 billion) compared to January-October 2015, which was USD 9,718.3 billion. This group of products registered an increase in volume (metric tons) of 4.1%, between the two periods (Banco Central del Ecuador, 2016).

Figure 2 shows exports in which it can be seen that oil exports were reduced each year. This was mainly due to the oil situation worldwide as the price of the barrel was constantly falling significantly due to the sanction that Ecuadorian oil has with respect to its quality and also because of the price in the market. On the other hand, with respect to non-oil exports, there was an increase since this period. Ecuadorian industry began to be encouraged to export.

1.1.1.3 IMPORTS:

"According to the Economic Classification of Products by Use or Economic Destination (CUODE), the table shows that when comparing the periods January - October 2015 and 2016, imports of all product groups, in FOB value, they were lower: fuels and lubricants (-42.4%), capital goods (-30.6%); raw materials (- 22.5%); consumer goods (-22.4%); and, diverse products (-0.2%) " (Banco Central del Ecuador, 2016).

The fact that imports of products such as fuels and lubricants have decreased gives an advantage to Ecuadorian products in their own country. It is an opportunity for their national consumption to increase and not to leave money for products that can be made here. Imports have generally declined in all these areas due to the imposed tariffs and trade policies that Ecuador has imposed in those years to protect the Ecuadorian industry and encourage the purchase of the national product.

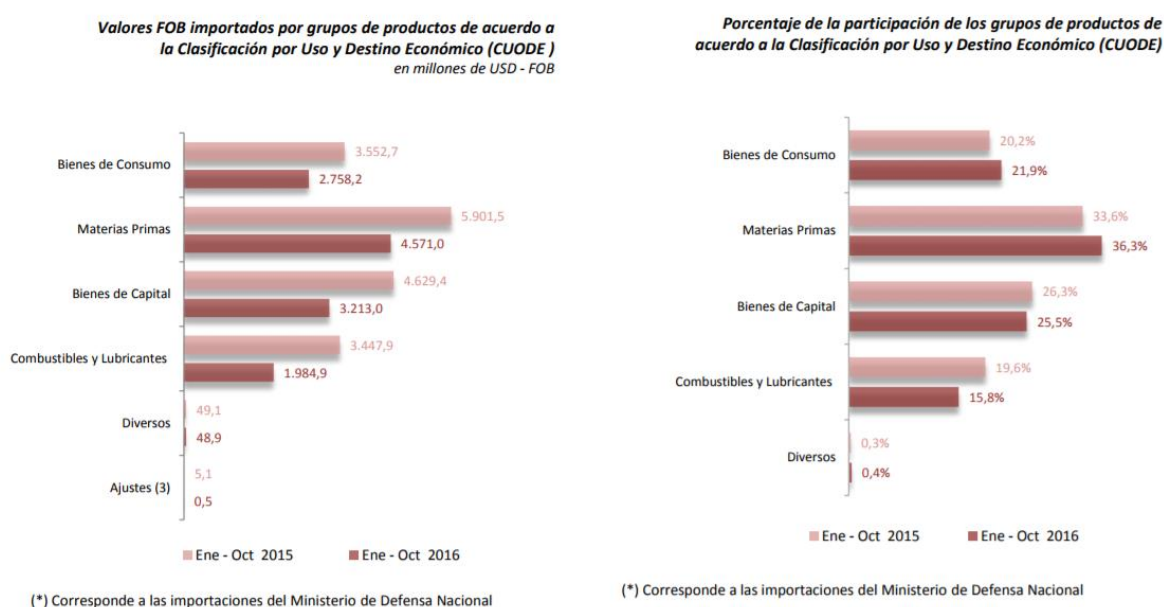


Figure 3 Percentages of group of products by use and economic destination 2015 and 2016
Source: Banco Central del Ecuador

FOB Values imported by groups of products according to the classification by use or economic destinations.

Percentage of the participation of the groups of products according to the classification by use and economic destiny.

1.1.1.4 MAIN NON-OIL EXPORTS:

"During January-July 2016, the banana and plantain sector was established as the main export sector with a 25.09% share of total non-oil exports, followed by aquaculture with a share of 22.68%, third place is fishing with 11.66% and fourth is flowers and plants with 7.72%. Adding these 4 groups of products, we have 67.16% of non-oil exports" (Banco Central del Ecuador, 2016).

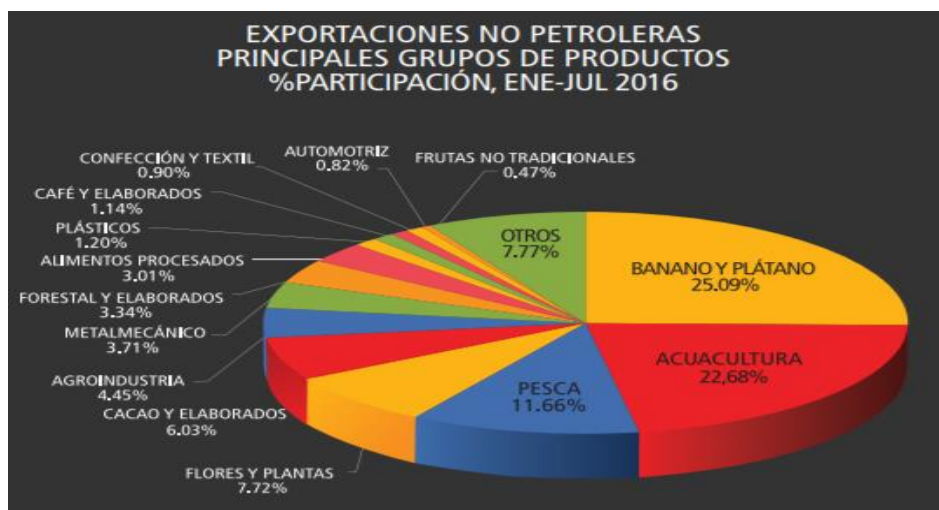


Figure 4 Non-oil exports main products

Source: Banco Central del Ecuador

Author: Dirección de Inteligencia Comercial e Inversiones, PROECUADOR.

Non-oil exports main products

Main groups of goods

%Participation, JAN-JUL 2016

Categories: Banana and plantain 25.09%, aquaculture 22.68%, fishing 11.66%, flowers and plants 7.72%, cocoa and products from de cocoa 6.03%, agro-industry 4.45%, mechanical metal 3.71%, forest and products made from forest 3.34%, processed food 3.01%, plastics 1.20% coffee and products made from coffee 1.14%, clothing and textile 0.90%, automotive 0.82%, no traditional fruits 0.47%, others 7.77%.

As can be seen in figure 4, most of the production that is destined for non-oil exports is related to agriculture; such as the production of banana and plantain among other products. since Ecuador is fortunate to have different products throughout its territory it is important that the country starts to take advantage of it and exploit agricultural production throughout the country.

1.1.1.5 MAIN DESTINATIONS OF EXPORTS:

"The main destination of non-oil exports from Ecuador in January-July 2016 was the United States, with a share of 23.51% of total exports, followed by Vietnam with 9.60%, Colombia with 7.07% and Russia with 7.00%. In reviewing the twenty main destinations of our non-oil exports, eight correspond to countries in the Americas" (Banco Central del Ecuador, 2016).

As can be seen, the United States is Ecuador's main trading partner with respect to exports not only oil, but also non-oil exports.

Table 1 Non-oil exports of Ecuador

NON OIL EXPORTS OF ECUADOR BILLIONS USD FOB 2016 JAN - JUL		
COUNTRY	BILLIONS USD FOB	PARTICIPATION%
UNITED STATES	1,529,485	23.66%
VIETNAM	618,376	9.56%
COLOMBIA	440,773	6.82%
RUSSIA	439,452	6.80%
GERMANY	328,516	5.08%
SPAIN	316,247	4.89%
CHINA	256,703	3.97%
ITALY	252,701	3.91%
NETHERLANDS	236,842	3.66%
FRANCE	166,367	2.57%
PERU	156,837	2.43%
CHILE	133,285	2.06%
JAPAN	120,814	1.87%
ARGENTINA	107,935	1.67%
BELGIUM	107,672	1.67%
MEXICO	103,959	1.61%
TURKEY	85,512	1.32%
UNITED KINGDOM	85,171	1.32%
VENEZUELA	80,608	1.25%
BRASIL	69,807	1.08%
OTHET COUNTRIES	828,274	12.81%
TOTAL	6,465,427	100.00%

Source: Banco Central del Ecuador

Author: Dirección de Inteligencia Comercial e Inversiones, PROECUADOR.

1.2 THEORY OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES):

According to the Economic Commission for Latin America and the Caribbean (ECLAC), the production of small and medium-sized companies reached a wide range of activities contributing significantly to the national production value. It made SMEs important players within the economy and development of the countries (Burneo, Comisión Económica para América Latina y el Caribe, 2016). The presence of SMEs in the productive activity of a country is of utmost importance. In addition of being part of the productive activity, these in turn generate employment.

1.2.1 THE SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) ACCORDING TO THE CAN:

According to the Andean Community of Nations and its decision number 488, SMEs are all small and medium formal enterprises that are legally constituted before the competent authorities. They also keep accounting records and contribute to social security. According to the CAN, these must comply with certain parameters such as:

Small businesses must have an average of 10 to 49 workers, their gross value in annual sales must be \$ 100,001 to 1,000,000 and their assets must be from \$ 100,001 to \$ 750,000.

Medium-sized companies must have an average of 50 to 199 workers. their gross value in annual sales must be \$ 1,000,001 to 5,000,000 and their assets must be from 750,001 to \$ 3,999,999 (Comunidad Andina de Naciones, 2017).

These parameters established by the CAN offer an opportunity for small businesses that exist in countries taken into account because of their development. If they participate in both the national and international markets, as mentioned above, SMEs comply with an important role in the economy.

1.2.2 SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN LATIN AMERICA:

For SMEs, the progressive opening and liberalization of trade has meant greater competition in their domestic market and, therefore, the need to specialize and seek new markets beyond their natural borders. In the last 20 years we have worked hard with initiatives for the growth of SMEs in relation to the accessibility to credits and technical assistance in order to improve the quality and service with respect to SMEs in Latin America and the Caribbean. So that these are used and help promote development in what Latin America is; as its economy depends heavily on the activity that SMEs perform (Ferraro, 2011).

SMEs are very important in the development of the countries since they are vital from the economic and social point of view. They create opportunities of different nature in the productive and social transformations under way and thus contribute to the growth of the countries. Within these economic structural transformations are: the generation of employment, the technological transformation and the training of manpower (Enriquez, 2015). What makes SMEs the basis of the development of countries are the production, purchase and demand of products with added value, which contributes to wealth and in turn to the generation of employment. In general, SMEs are present in every sector of economic activity making their presence in the commerce sector stronger.

In Latin America, small and medium-sized enterprises, also known as SMEs, account for 90% of productive units. They generate close to 60% of jobs and account for a quarter of regional GDP. On one hand, they are called to become one of the fundamental drivers of productivity and development; and on the other, the particularities of their business performance limit the economic aspirations of the countries. For SMEs to play a leading role in regional socioeconomic progress, they must bet on public policies that promote the increase of their competitiveness, so that they can face their peers face to face in the most advanced economies (Elorza, 2017).

The level of SMEs in Latin America is very high. For example, Latin America creates more companies compared to Asia, but it has many very small firms. In general, informal labor and productively speaking a few medium and large enterprises. In addition, those that survive grow more slowly generally because of a historical deficit in innovation that limits their expansive possibilities (Elorza, 2017).

The participation of SMEs in Latin American exports is much lower than what is observed in developed countries. According to ECLAC-OECD (Organization for Economic Development Cooperation 2012), while in Argentina and Brazil the participation of small and medium enterprises in exports (considering only direct sales) is around 10% and it is less than 5% in most of the countries of the region. In several European countries it is between 40 and 55%. The data serves to contrast the current reality with the possibilities offered by the scenario (CEPAL, 2013).

The main barriers that limit the external insertion of SMEs are the scarcity of working capital to finance exports and the lack of managerial skills -including knowledge and time- to

identify business opportunities, analyze foreign markets and contact potential clients. The export capacity of these is limited due to their dependence on the domestic market, even so, according to ECLAC, in Latin America, 10% of the countries' exports come from SMEs.

Although SMEs face some common obstacles in both developed and developing countries, there are characteristics of Latin America that make participation in external markets considering both direct and indirect exports (22%) lower than in European countries (45 %) and East Asia (39%), thus revealing untapped potential in the region. ECLAC-OECD (2012) presents these coefficients and attributes the difference in part to environmental factors, such as the heterogeneous productive structure, the educational level of the labor force and the business climate of the countries of the region (measured at through cost indicators for the creation of companies). In addition, he points out that imperfections in the credit market in Latin America limit access to finance for SMEs. The credit allocated to this group of companies is around 12% of the total, lower than that registered in East Asian countries (18%), South Asia (20%) or OECD members (26%) (CEPAL, 2013).

1.2.3 SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN ECUADOR:

In Ecuador, according to the Internal Revenue Service or IRS, small and medium-sized companies are known as SMEs. They possess characteristics proper of this type of economic entities according to their sales volume, social capital, number of workers, and their level of production or assets. In Ecuador, the small and medium enterprises that have been formed usually carry out different types of economic activities, among which we highlight the following:

- Wholesale and Retail
- Agriculture, forestry and fishing.
- Manufacturing industries.
- Construction.
- Transportation, storage, and communications.
- Real estate and services provided to companies.
- Community, social and personal services.

Small and Medium Enterprises play a very important role in the development of any economy due to their relationship and incidence in the generation of employment, and economic growth. In this way, SMEs are directly related to economic development in all regions of the country. While analyzing the factors of economic growth large companies were identified as responsible. In fact, the results indicate that growth depends largely on the performance of their SMEs (EKOS, 2012).

According to the National Economic Census (2010), three out of ten jobs in Ecuador are generated by small and medium enterprises, but only 2.2% and 5.1% of small and medium enterprises, respectively, seek international markets (Ecuadoriano, 2010).

In Ecuador, SMEs are in the production of goods and services the basis of social development of the country. They produce, create demand, buy products or add value. They are a key player in the generation of wealth and employment (SRI, 2017).

According to ECLAC data, in Ecuador SMEs have a share of 9.3% of the total number of companies registered up to 2014. It was registered a total of 43% in employees affiliated to the

social security despite the financial limitation that these have (Burneo, Comisión Económica para América Latina y el Caribe, 2016).

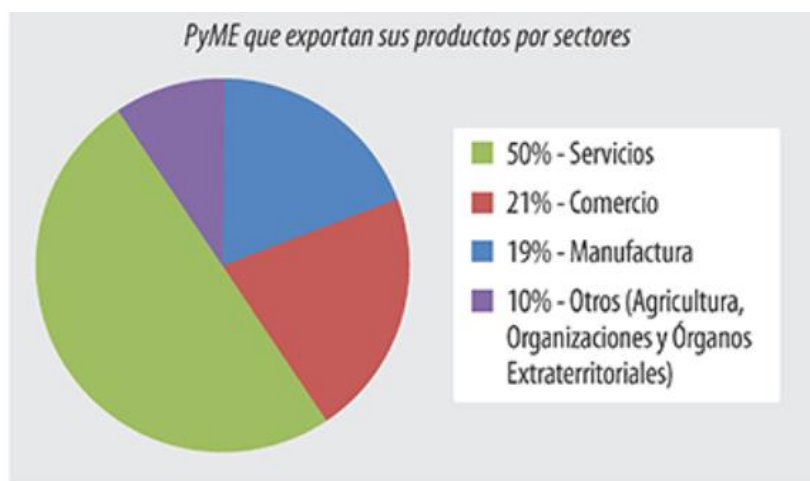


Figure 5 SMEs that export by sectors

Sectors: Services 50%, commerce 21%, manufacturing 19%, others (agriculture & organizations) 10%.

Source: Censo Nacional Económico 2010, INEC

Author: Observatorio de la PyME de la Universidad Andina Simón Bolívar, Sede Ecuador

At present, on September 2017, according to an article of the newspaper “the Telegraph” in Ecuador there are around 52,554 companies of which 42% belong to the sector of the SMEs being the commerce their greater participation (Eltelégrafo, 2017).

Comparing these data with those previously proposed by ECLAC, it can be seen that the percentage of SMEs in Ecuador has not increased over the course of three years, which is a bit alarming since it has had a small decrease.

1.2.4 THE INTERNATIONALIZATION OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES):

One of the main consequences of globalization is the increase of a global competitive intensity at the business level. This affects both large companies and small companies leading them to seek internationalization to respond to this competitiveness transforming the internationalization of companies into an irreversible process that accelerates year after year. Among the main objectives of the internationalization of SMEs, is the obtaining of better income together with the reduction of costs and the participation of new markets to improve competitiveness.

Global trade transactions are made at all hours of the day, throughout the year. This implies that the market is the whole world. Therefore, it is necessary for the company to adapt itself to these changes by developing and implementing internationalization strategies for its products and brands. It allows it to create the necessary competitive advantages to, first, defend the already established markets and, second, develop growth strategies in new ones.

The international insertion of small and medium enterprises has positive impacts on their level of productivity, the quality of employment, the level of wages and the incorporation of innovation. For this reason, developing better policies and tools to support the internationalization of SMEs is a condition for a more inclusive development (CEPAL, 2013).

The internationalization of SMEs can be considered a development tool: the higher the SMEs' participation in exports, the greater the impact on the generation of employment in internationally competitive activities. In agreement with ECLAC, SMEs that are oriented to the international market innovate more because they require new technologies, greater technological competences and better models of organization and commercialization. With this it can be seen that, the internationalization of companies not only brings benefits to companies, but also to the country, since they come to be in a position to achieve new technology and have the opportunity to innovate to be competitive within the country and a global market. At the same time, it also brings benefits to the community where this company is based on the implementations and knowledge that are inserted.

In the characterization of the internal factors on which the exporting SMEs operate, it is important to study their behavior. According to the last National Economic Census (2010), of some explanatory variables of the internal operation of small and medium enterprises that have chosen to sell part of its products in foreign markets:

“*Nearly 90% of exporting SMEs are concerned with keeping accounting records of their financial movements in a formal manner, which are key when carrying out control and financial planning tasks.

*Around three out of ten exporting SMEs find in financing from external sources an option to meet the needs of operation and business growth.

*Regarding the realization of market studies, as a mechanism for generating useful information for the design of the organizational strategy and / or management decision making, it is observed that only 15% of exporting SMEs make them.

*The responsibility towards waste management is considered, within financial budgets, by about two out of ten small and medium export companies.

*Regarding to the concern for the execution of tasks related to research and development, it is seen that this is a field that is still pending to be addressed in the SME sector - only 12% of small and medium exporting companies allocate resources for this strategic task, which is necessary when consolidating competitive business improvement.

*The use of electronic means of communication is registered by the majority of exporting SMEs, since around 85% of companies say they use the Internet as a mean of communication and / or facilitation of some of their organizational processes.

*What must be done to the attention, training and formation of the human resource is less than half -46% - of exporting. SMEs are concerned to allocate, within their financial budgets, resources directed to satisfy the needs of training and / or worker training " (INEC, 2010).

1.3 INTERNATIONALIZATION THEORY:

Internationalization is the growth that occurs through international geographic diversification and is reached through a long-term evolutionary process that affects the different activities of the value chain and the organizational structure of the company (TATO, 2002).

This is a need that comes from companies to interact in the global world with the intention of accessing new markets and get expanded. The companies take the advantage of the possible opportunities offered by new markets to obtain competitive advantages. In a competitive world, internationalization becomes the most important tool for companies, so it should always define correctly the strategies with which each company plans to work. In order to carry out the internationalization of a company certain factors must be taken into account, such as the situation of the company, the products to market, the places where to market and, the resources available to the company.

Within internationalization, it is important to take into account the different theories that shape the process of internationalization, such as the absolute advantage of Adam Smith, together with David Ricardo's comparative advantage theory mentioned previously. They were based on the productive specialization of nations and that such specialization together with trade between countries generates greater availability of consumption even when there is no absolute advantage which comes to present. A benefit for both countries through trade.

The analysis developed by Dunning can also be taken as important in terms of internationalization, who analyzes factors such as location, quality, costs and competitive advantages, and that according to the rest of the market in which companies are developed together in order to determine how viable the internationalization of a company can be (Dunning, 1988).

So, there is also the economy of scale, which focuses on improving the production conditions in time and quality. Considering the reduction of costs in conjunction with the increase in production. The state is responsible for providing the facilities in order to make possible this method of work. It states that economies capable of producing goods in large quantities can reduce unit production costs and may have the ability to export (Villa, Javier Martínez Peinado y José María Vidal, 1995).

The competitive diamond theory of Michael Porter was considered for the internationalization process. It aimed at the factors involved in the competitive advantage mentioned previously with contribution from the State, with the idea of forming a strategy which takes advantage of all the opportunities that the country has when producing against others.

The competitive diamond is based on the interaction of the following dimensions: conditions of the factors, conditions of the demand, related and support sectors, and strategy, structure and rivalry of the companies. They develop in a certain territory and become the basis on which the internationalization capacity of local companies is built (Porter, 1991).

In regard to the way of entry of products and services in international markets there are export, franchising and implementation of production plants. Therefore, according to the Uppsala model, whose name is due to the city in which the model was made. It emerged from a study on the internationalization of Swedish SMEs is considered a strategic tool. It focuses on predicting what will be of gradual growth of the company in a determined country according to experience. It establishes that internationalization goes through four phases: a) occasional exports; b) export through independent operators, for example through franchises; c)

establishment of branches abroad; d) and establishment of productive units abroad (Botello, 2014).

The internationalization of companies comes through the export of production abroad and foreign direct investment. This is a set of operations in which the company and the international market must work together with the intention of expanding with the participation of all countries to take advantage of the different advantages.

Currently internationalization is closely linked to export. It is closely linked to the development that is to be achieved in small and medium enterprises. For that reason, seeking the export potential of the countries is very important to obtain information about what can be used to the maximum and what you must work on. For this you must have a broad knowledge about how and in what SMEs work.

When identifying small and medium enterprises with export potential, criteria such as interest in taking advantage of export opportunities based on demand, participation in export seminars, interest in taking advantage of government incentives, attendance at trade fairs and exhibitions should be used. There is no theory considered good or bad with respect to internationalization since, in the long run, they all come to interact with each other, which leads to internationalization being understood as a link between companies and international markets.

Knowing the history of foreign trade is of vital importance to understand its evolution and why the behavior that each country adopts with respect to its commercial policy. Starting with what the GATT was, today known as the WTO, an entity that is purely dedicated to ensuring because the rules of trade between countries are complied with and there is collaboration between them. Trade has its own guidelines and rules that have been established as it has grown to what we know today as foreign trade, where the main engine is the SMEs that exist in different countries. They are responsible for creating both goods and services which will later serve to make the exchange with the rest of the countries.

CHAPTER 2: DETERMINATION OF THE PRODUCTIVE OFFER OF THE CANTONS OF PAUTE AND GUACHAPALA.

Next, the study of the exportable offer of the cantons of Paute and Guachapala will be carried out, for which it is necessary to determine the order and economic development of each canton, as well as its generalities, economic and productive sectors in general. For this study, the PDOT (Development and Territorial Planning Plan) of the cantons will be used as a source of research information. These are technical and normative instruments of long-term planning and management that involve a set of policies, actions and elements of physical planning that guide territorial development. They establish an integral model of development, as well as the guidelines and mechanisms necessary to achieve the established objectives (GAD Municipal Cuenca, 2017) In the case of Paute, the Territorial Development and Ordering Plan was accessed through its website and through a request for its socialization in the Municipal Autonomous Decentralized Government of Paute. In Guachapala, it was obtained through an application in the Municipal Autonomous Decentralized Government of Guachapala.

2.1 CANTON OF PAUTE:

Paute, a canton of the province of Azuay, is known for being a strong agricultural and livestock producer constantly promoting its economic and tourist development. It was founded on February 26, 1860, under the government of Gabriel García Moreno and it has been cantonized for 157 years. The current representative of the canton in his third administration is Dr. Heliot Trelles Méndez.

The canton is located in the north-eastern corridor of the province of Azuay, with an area of approximately 261.43 km² and bordered on the north and west by the province of Cañar. It is limited on the south by the canton of Gualaceo and on the east by the cantons El Pan and Sevilla de Oro. At present, the administrative political division of Paute is formed by parishes which are San Cristobal in which some of its inhabitants work with handcrafts in straw shawls, Bulán parish known for its fruit route, The Cape where the gastronomy of the canton is concentrated for its well-known typical dishes, Dugdug named after a tree that existed in the cantonal center, Chicán one of the oldest parishes and known for its natural wealth that helps tourism in it, Tomebamba and Guarainag, being the most distant parishes of the cantonal center that also count on a great natural wealth.

The location of Paute is between two areas of forest and protective vegetation. The forest of Pichahuaicu and the Cerro Rumicruz. The canton presents a great biodiversity of flora and it is an important generator of water for the production of hydroelectric energy, not only at the local level. It has been necessary to declare these areas as intangible zones in order to ensure the conservation of these ecosystems qualified as of water recharge, which are important since they are related to the production of the canton.

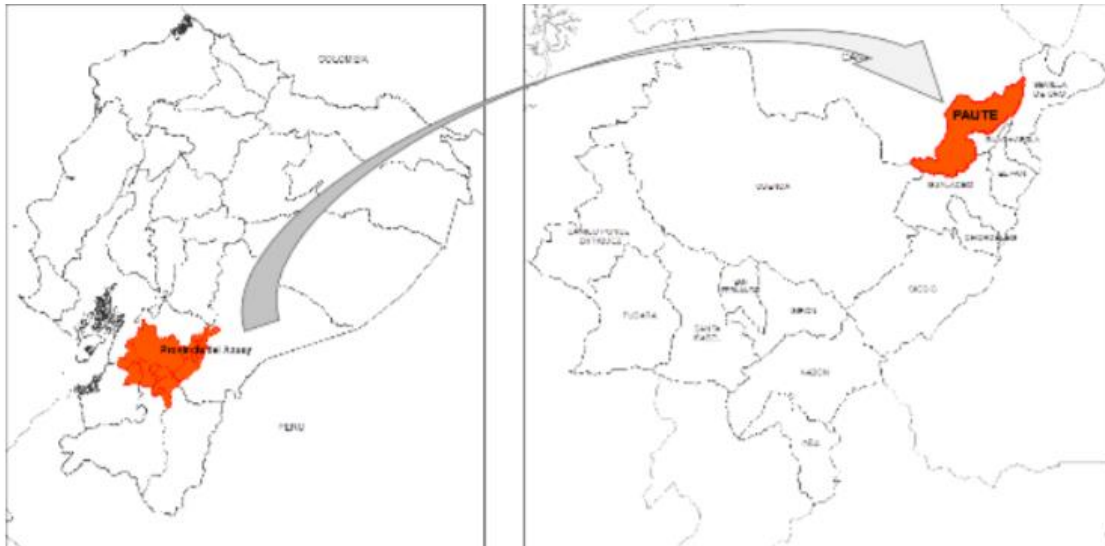


Figure 6 Location of Paute in Ecuador

Source: Actualization of the Development and Territorial Planning Plan

2.1.1 CLIMATE OF THE CANTON PAUTE:

The temperate climate the predominates is the subtropical climate in the lower parts and the cold in the highlands. The average monthly temperatures fluctuate between 15.2 ° C and 18.6 ° C, being the coldest the months of June and July and the hottest the months of November and December. The canton is part of the Paute river basin, which is located between 2200 and 2600 m.s.n.m., with a semi-humid temperate climate. Due to the presence of the Andes mountain range, there are microclimates that favor crop diversity in the canton such as pastures, table tomatoes, corn, fruit trees, etc., predominate.

According to the Development and Territorial Planning Plan of Paute, this canton is in a risk zone due to the possibilities of flood and mass movement. The parish of Tomebamba is the most vulnerable since the threat of mass movements is higher than in the rest of territory.

2.1.2 POPULATION OF THE CANTON OF PAUTE

According to the last census carried out in 2010 by the INEC, the canton has 25,494 people, of which 26.7% live in extreme poverty due to unsatisfied basic needs. It means that for every 10 people, seven are recognized as poor. According to the PDOT (Development and Territorial Planning Plan) of Paute, the presence of poverty in the canton is because of the inequality that has existed regarding to the land tenure. It is because of the number of farmers in the area and the poor structure in the division thereof. Since the majority of production that occurs in the canton is for subsistence itself, it prevents the creation of link between the market of producers and it also prevents an adequate development to the canton.

Another factor that significantly influence the Paute poverty index was the disaster of the Josefina. Early on Monday, March 29, 1993, a mudslide from the Nuzhuqui mountain formed a natural dam of one-kilometer-long at the point where the Cuenca and Jadán rivers join together to give birth the river Paute. The water from these rivers gave rise to the formation of a lagoon 800 meters long, 300 meters wide and 80 meters deep in the sector of The Josefina, near Cuenca. The 20 million cubic meters of stone material (earth, stones and rocks) erased the town of The Josefina from the map, where more than 60 families lived; it destroyed

roads, farms, crops and damaged a thermoelectric plant valued at 25 million dollars (El Universo, 2002). Currently, Paute has not fully recovered from this disaster.

2.1.3 PRODUCTIVITY IN THE CANTON OF PAUTE:

According to data used by the Central Bank for the Paute PDOT (Development and Territorial Planning Plan), the main activities in the area are agriculture and livestock with a 53.45% and fishing with a 45.47%, but nowadays it has been promoting trade, which it has developed by 9.99%. The reason that agriculture is one of the main activities of Paute is thanks to the characteristics of the territory due to the microclimates that the canton presents, so it can have a mixed production system. The productive activity of Paute is developed in 33% in an ancestral way, the use of the yoke for the tillage in a 67% of technical way. Likewise, in this canton according to its PDOT (Development and Territorial Planning Plan), commercialization occurs directly by 36% and by intermediaries by 64%.

The most important agricultural crops in the sector are greenhouse tomatoes, beans, corn and potatoes, these products are mainly used for self-consumption. Production is found in all the parishes that form the Paute canton. The parishes of DugDug and Tomebamba are the main producers of potatoes, product which is intended both for self-consumption and for sale. On the other hand, the greenhouse tomato production is mostly carried out in the parishes of DugDug and Bulán.

With respect to agricultural production Paute works within 4,269 hectares. It is equivalent to the 16% of the surface of the territory. This territory includes flower plantations and greenhouse crops for the production of table tomatoes, these activities are considered of greater economic importance within the economy of the canton and likewise, this production is the one that generates more conflict within the territory since its work involves the change of land use, accelerating the erosion process with the improper use of agrochemicals.

2.1.4 ANALYSIS OF THE CONTAMINATION IN THE CANTON OF PAUTE

According to the Development and Territorial Planning Plan, one of the main problems in Paute is the pollution that occurs in the Paute River due to the elimination of wastewater that is discharged directly into the water channels. There is also the strong activity of extraction of aggregates that are carried out in protection zones to river beds and streams and that emit a large amount of particulate matter and emission of gases due to the combustion of machinery.

2.1.5 TERRITORY OF THE CANTON OF PAUTE:

For the adequate maintenance of the lands in which the agricultural production of the canton of Paute takes place a territorial model has been made to identify the state of the land and according to the Development and Territorial Planning Plan it has been classified as follows:

According to the Development and Territorial Planning Plan of the canton, strict conservation, territories which present an area of 2,409 hectares, 33.23% of the total cantonal territory correspond to the Forest and Protective Vegetation Areas - ABVP of the Forest System. In this context, conservation efforts carried out by the Ministry of Environment, decentralized autonomous governments, communities, non-governmental organizations and private owners are fundamental for the protection of remnants of natural vegetation, biodiversity and environmental services.

The active conservation that represents the largest extension of the territory is 13,281 hectares which is 49% of the total cantonal territory. It includes areas such as badlands, arboreal vegetation, shrubs, soils without vegetation, bodies of water and archaeological heritage areas and areas of water of importance. These areas have different levels of intervention whether agricultural, livestock or urban, which have limitations by slope strong and have fragile ecosystems, which limits their capacity to use, but are transformed to other uses such as agriculture and livestock.

Production and exploitation correspond to productive areas such as crops, pastures, forestry and exploitation of stone material. It has an area of 10,802 hectares, which correspond to 40% of the total cantonal territory; the agricultural, livestock, forestry and mining uses are included.

Urban centers and urban areas have an extension of 970 hectares which is 4% of the cantonal territory. It corresponds to consolidated urban areas in the process of consolidation and dispersed housing.

2.2 CANTON OF GUACHAPALA

Guachapala is a religious tourist center that opens itself as a great possibility of generating agricultural productive goods with the potential to guarantee food security and productive undertakings. It has a total area of 3966 hectares and is located 53 km from the city of Cuenca, in the northeastern part of the province of Azuay. Its limits are the river Paute to the north, which separates it from the parishes of Tomebamba and Dug Dug of the canton Paute: with the canton Gualaceo to the south, to the east with the cantons El Pan and Sevilla de Oro and to the west: Rio Paute and the Canton Paute. Guachapala is located between 2,200 meters above sea level and 3,200 meters above sea level. Its population, according to records from the last census conducted in 2010, is 3,409 inhabitants.

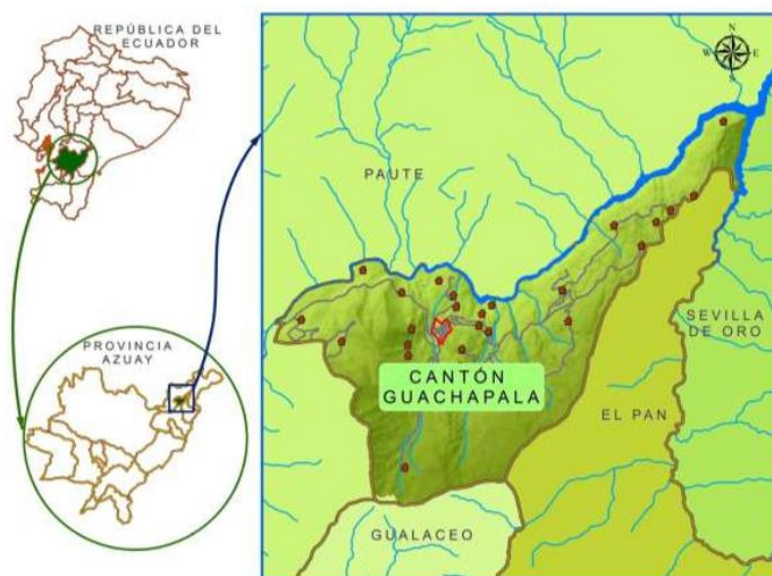


Figure 7 Location of Guachapala in Ecuador
Source: Development and Territorial Planning Plan of Guachapala

2.2.1 CLIMATE OF THE CANTON OF GUACHAPALA:

The Guachapala canton has different temperature ranges classified by zones. The lowest temperature and in the high areas of the canton with an average of 4°C, and in the low zones close to the villages of Don Julio there is an average temperature of 14°C. at 16 ° C. It has two types of climates due to characteristic of geographical location. These are determined by altitude, humidity, precipitation, duration of periods of insolation, which are characterized as follows:

2.2.1.1 WEATHERED MESOTHERMAL EQUATORIAL CLIMATE:

Potentials: It has excellent conditions for the development of productive activities in the canton, since its levels of precipitation and annual insolation. Its temperature and relative humidity range leads to a very favorable conditions for agricultural and livestock production.

Limitations: With low rates of return, periods of frost and severe droughts become more acute, generating conflicts in production.

2.2.1.2 COLD CLIMATE OF HIGH MOUNTAIN:

Potentials: Precipitation ranges and high relative humidity, areas of special management due to their water supply capacity, conservation.

Limitations: periods of insolation and temperature ranges are the main limitations of this type of climate.

2.2.1.3 FLORA AND FAUNA OF GUACHAPALA:

The Guachapala canton has a flora and fauna similar to the other cantons and parishes of the region since they are in the same ecosystems. The flora is presented with great diversity in the region. Listed below are the main and most common species in flora and fauna of the region:

Fauna: Avifauna: Owl, Carpenter, Gavilán Quillillico, Chugo, Chirote, Blackbird, Patillo, Golondrina, Partridge, Quilico, Quinde, Tocarza, Turtledove, Tuga, Goldfinch, Sparrow.

Astofauna: Chucurillo, Rabbits, Cuy de monte, Raposo, Guagurro, Lobo, Mouse, Deer, Skunk, Fox.

Flora: Capulí, Nogal, Cimitillo, Cedrillo, Cedro, Zarar blanca, Zarar colorada, Galuay, Eucalyptus, Guabo, Higuerón, Ishpingo, Pine, Laurel, Molie, Pumamaqui, Lucmo, Guava, Peach, Willow, Avocado.

2.2.2 WATER ANALYSIS OF THE CANTON OF GUACHAPALA:

The sources of water for all uses and mainly for domestic use and irrigation are the sub-basins of the Collay, Paute and Santa Bárbara rivers, and the Collay, Paute, Ancay and San José micro-basins.

In the Guachapala canton there are 31 water concessions or sources for domestic use with a total flow of 8.08 l / s, and 30 concessions for irrigation, with a flow of 199.09 l / s. This shows that 50.82% of the concessions correspond to domestic use, 3.90% to the concession flow. To the irrigation 49.18% of the concessions with 96.10% of the concession flow. Most of the sources of water for domestic use come from springs and in some cases from streams and wells, with small flows of use, while, for irrigation, the sources are usually rivers and streams, with much higher flows. Water, a fundamental element for the productive aspect is necessary to have irrigation concessions that allow the normal productive development, but although the

canton has irrigation concessions, many of the producers do not have an optimum irrigation system.

2.2.2.1 CONCESSIONS OF DOMESTIC USE AND IRRIGATION

Although there are no precise records of the physical, chemical and bacteriological quality of water it can be indicated that dispersed sources of pollution contribute to the degradation of water quality. Among these sources are sewage discharges located along rivers and streams, garbage dumps into riverbeds and pollution from agricultural tasks.

According to INEC data, regarding the 2010 Population and Housing Census, 84% of the population drink water as it arrives at the home, 13% boils it, and average of 2% of the population buys purified water. Also, part of the population put chlorine in it, or they filter the water to be drunk. The last is in smaller percentages.

If the 84% of the population that consumes water as it reaches the home is taken as an indicator of water quality, it is possible to assume that it is good quality water.

Table 2 Concessions of the use of water

Su-bbasin	Micro-basin	DOMESTIC USE				IRRIGATION			
		Concessions	%	Caudal (l/s)	%	Concessions	%	Caudal (l/s)	%
Collay	Collay	29	15,34	11,66	28,93	8	7,21	165,7	4,9
Paute	Paute	116	61,38	18,05	44,78	39	35,14	1192,79	35,3
Paute	Ancay	44	23,28	10,6	26,3	62	55,86	2006,12	59,37
Santa Bárbara	San José					2	1,8	1,8	0,43

Source: Development and Territorial Planning Plan of Guachapala

2.2.3 SOIL ANALYSIS OF THE CANTON OF GUACHAPALA

Most of the territory in the canton has irregular slopes showing that the Guachapala terrain is very complex due to its hills and slopes. It is affected in the productive area, since these do not have technified processes, and since by creating productive spaces in areas with steep slopes, soil erosion and washing processes are more frequent. Landslides are also more evident, although it also has a low terrace area which is conducive to the development of activities in general. In the Guachapala canton, the soils are clay-like, and are classified into the following types:

2.2.3.1 TYPE OF SOIL:

Dystropepts:

They are soils derived from pyroclastic, allophonic, and frank materials, with a high capacity for water retention. Soils very rich in organic matter with more than 20% carbon. They are clay soils and have a color that varies from red to yellowish brown.

Uderts:

Soils with more than 30% clay of Montmorillonite type, with presence of cracks in the dry season, high cation exchange capacity.

Histic hydrandepts or histic cryandepts:

They are soils derived from pyroclastic, allophonic, and frank materials, with a high capacity for water retention. Soils very rich in organic matter with more than 20% of C.

Tropudalfs or eutropepts:

They are soils whose color varies between red to yellowish brown, clayey with mother rock little altered, are soils of humid areas and strong slopes.

2.2.3.2 SOIL COVERAGE OF THE CANTON OF GUACHAPALA

Pasture cover is the most significant in the territory, covering 44.86% of the total area, followed by the area dedicated to thin scrub (26.48%) then crops that represent 11.56% of the cantonal territory, and shrub vegetation that reaches 11.33%.

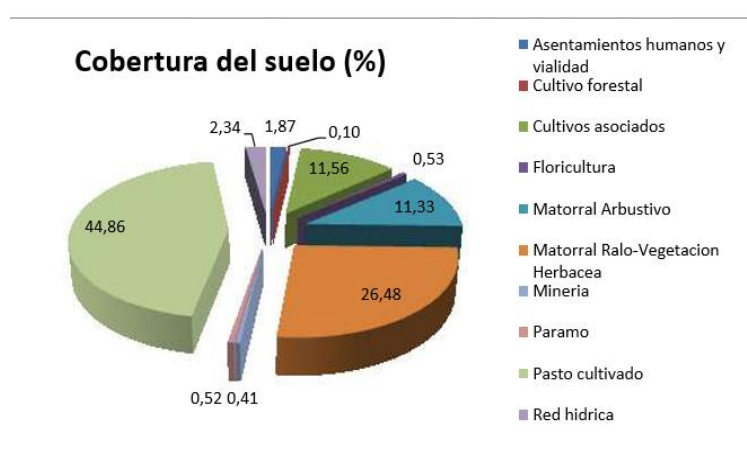


Figure 8 Soil Coverage

Soil Coverage (%): Human settlements & roads, forest farming, associated farming, flower shop, scrubs vegetations scrubs, mining, moor, cultivated pasture, water supply.

Source: Development and Territorial Planning Plan of Guachapala

2.2.4 AIR ANALYSIS OF THE CANTON OF GUACHAPALA

In the Guachapala canton, floriculture and aggregate quarries are the industries with the highest index of emissions of suspended particles emitted to the atmosphere. Whether these are by agrochemicals or movements of soils and machinery. However, there are not impacts of greater incidence in the canton.

2.2.4.1 ECONOMIC - PRODUCTIVE SYSTEM OF THE CANTON OF GUACHAPALA

Economic activity is fundamentally based on agriculture; corn, beans, peas, tree tomato and kidney tomato are grown. Within the fruit culture are cultivated: peaches, granadillas, cherimoyas, among others. Craft activity is developed as a complement to its economy; Straw hats are made, wool sweaters are knitted, carpentry workshops are performed, footwear and clothing are manufactured. The agricultural and artisan products mostly go to the markets of Paute, Cuenca, Azogues and Gualaceo. What is left is destined for self-consumption and for its commercialization in the Sunday fair in the cantonal center.

Below is a table of the Economically Active Population (EAP) by branch of activity and sex.

Table 3 Economically Active Population (EAP) of the canton according to economic activity

ECONOMIC ACTIVITY	EAP MAN	EAP WOMAN	EAP TOTAL	%
	61%	39%	100%	
Agriculture, animal husbandry, forestry and fishing	350	216	566	45,00%
Construction	112	4	116	9,20%
Commerce	49	60	109	8,70%
Transportation and storage	76	3	79	6,30%
Manufacturing industries	42	23	65	5,20%
Public administration and defense	41	18	59	4,70%
Lodging and food services	16	20	36	2,90%
Teaching	8	25	33	2,60%
Other activities	78	116	194	15,40%
TOTAL CANTONAL EAP	772	485	1257	100,00%

Source: Development and Territorial Planning Plan of Guachapala

According to the latest population and housing census of the National Institute of Statistics and Census (INEC) 2010, it declared that a total of 1,257 people to the economically active population of which 61% (772) are men and 39% (485) are women.

As mentioned above, the most important activity of the canton is agriculture. So that 45% of the Economically Active Population (PEA) cantonal is engaged in agriculture and livestock, from 566 people, 350 are men and 216 women. Next in importance are the activities related to construction with a 9.20% (116), being more men 97% (112), than women 3% (4) those who are employed in this activity. Another of the important activities of the canton is the wholesale and retail trade that represents 8.7%; that is, 109 people of which 55% (60) are men and 45% (49) are women.

In other activities, 6.3% (79) is dedicated to transportation, 5.20% (65) to the manufacturing industry, and the rest of the Economically Active Population (EAP) are in areas of public administration and defense, education and domestic service.

2.2.5 ECONOMICALLY ACTIVE POPULATION BY CATEGORY OF OCCUPATION IN GUACHAPALA:

In Guachapala, 1,257 people represent the economically active population, and from these, 39% are farmers and skilled workers, the rest are divided among officers, workers, craftsmen, service workers, vendors, etc.



Figure 9 EPA by category

- *Directors and managers: 12%
- *Scientists and intellectual professionals: 9%
- *Mid-level professionals: 12%
- *Administrative support personnel: 0%
- *Services workers and sellers: 6%
- *Farmers and skilled workers: 2%
- *Officers, artisans: 1%
- *Installations and machinery operators: 3%
- *Elementary occupations: 2%
- *Military occupations: 3%
- *Not declared: 11%
- *New worker: 39%

Source: Plan de desarrollo y ordenamiento territorial de Guachapala

2.2.6 PRODUCTS WITH ECONOMIC POTENTIAL OF GUCHAPALA:

As it could be previously analyzed 39% of the economically active population is engaged in agriculture. Those products with an economic potential are the tree tomato, kidney tomato, corn and beans, potatoes, vegetables and fruit. In addition, cattle, chickens, pigs and guinea pigs are also potential products.

Table 4 Products with economic potential

PRODUCTS/RESOURCES	DEDICATED FAMILIES	LABOUR	PRODUCTION DESTINATION	
	DEDICATES	FAMILY/SALARIED	AUTO CONSUMO	VENTA
Tomatoes	35%	10% familiar, 90% hired		100%
tomatoe tree	90%	80% hired, 20% familiar		100%
Potatoes	20%	95% familiar, 5% hired		100%
Vegetables (cabbage)	80%	100% familiar	50%	50%
Corn - beans	100%	100% familiar	80%	20%
Fruits (peach, custard apple)	5%	50% hired, 50% familiar	2%	98%
Cattle (milk)	90%	100% familiar (hired casual)	80%	20%
Chickens	50%	100% familiar (hired casual)	2%	98%
Pigs	70%	100% familiar (hired casual)	60%	40%
Guineapigs	90%	100% familiar (hired casual)	100%	0%

Source: Plan de desarrollo y ordenamiento territorial de Guachapala

Finally, when analyzing the Development and Territorial Planning Plan of the cantons Paute and Guachapala it was possible to determine that they are cantons that do not present a greater territorial and productive development. Both cantons present similarities in many aspects. For example, the main economic activities are agriculture, where the main products that are given are of different types of vegetables and fruit trees; such as tomatoes, peaches, apples and, in the case of Paute, the wholesale and retail trade also represents a significant percentage.

In the same way it was determined that the conditions of both climate and soil make the production of these types of food possible. In the specific case of Paute one of the factors that most affected the canton to grow in the economic aspect was the Josefina disaster. It slowed and partly delayed the economic growth of the canton. Before the disaster it was equal or greater than the economic situation of Gualaceo, a second economy in the province of Azuay.

CHAPTER 3: LIFTING INFORMATION OF THE SMALL AND MEDIUM-SIZED ENTERPRISES (SMES).

The next chapter is a productive description of the cantons of Paute and Guachapala, as well as the different players participating in it. Within the different players of each canton who will be divided between interviewed and not interviewed as it is placed a greater emphasis on the interviewees. Likewise, the entire research process will be described from the first approach with each of the companies, associations or producers until the last approach, while at the same time mentioning the different institutions that were visited for obtaining the information. Then, detailed information of each of the companies, associations and producers of each canton will be presented to finally present conclusions regarding the chapter.

3.1 METHODOLOGY OF SELECTION OF COMPANIES:

Export models of PROECUADOR and MIPRO were taken as reference for the elaboration of the export potential test. From it a customized test to perform the interviews was developed. The tests consist of a series of questions that cover four areas: administrative, financial, production, marketing and sales. Each answer to the different questions is evaluated with scores of (5) if it meets all the parameters, (3) if it partially complies with the parameters, and (0) if it does not comply with the parameters. At the end, a sum is made with the different scores of each area and three levels are established in which companies, associations or producers can enter: The first one is represented with the green color, indicating that the company, association or producer is suitable to export. The second is represented with the yellow color indicating that the company, association or producer could be suitable for export if it makes certain implementations in its business. Lastly the third is represented with the color red which indicates that the company, association or producer is not suitable for export and needs improvement at a productive level. At the end of each interview a scorecard has been integrated, which is a synthesis of the potential export test with the most important topics to be considered in a company. The scoring parameters in these tables are: 150 to 195 are suitable for export and are represented with green. From 100 to 149 need certain implementations in the organization to be considered eligible and it is represented with the color yellow, and from 0 to 99 are not suitable for export and are represented with the color red.

The fieldwork started on Tuesday, September 12, 2017. There was a first approach with the Municipal Autonomous Decentralized Government (GADs) of the Paute and Guachapala. In Guachapala, the municipal GAD having no competence in productive issues of the canton, but only with tourism-related issues, said that in matters related to the producers of the Guachapala canton, the Ministry of Agriculture or MAG has direct contact with them. Reason why meetings with the associations began on Thursday, September 19. Ing. Galo Yupangui who is part of the Ministry of Agriculture (MAG) in the mentioned canton contributed. Thanks to his help meetings could be held to carry out the tests with the seven associations that exist in the canton. The estimated time to interview the 7 associations was between one month and a half and two months. This was because each association with its members usually meet once a month. Meeting agreements with each one take a lot of time. In the same way, the distances between each of the venues and where it was held the meeting made the time of the interviews longer.

In the case of Paute, rapprochements were delayed even more since not having the expected opening by the municipal GAD. It sought to get closer with the producers through the Ministry of Agriculture (MAG) in Paute. By not having the opening expected in the first instance by the MAG in Paute, it was resorted to hold meetings with producers in the area. The contact there

was provided by Mr. Galo Yupangui. Due to all these inconveniences the meetings at Paute took longer than expected and began on Monday, October 15.

On Tuesday, October 17, there was a rapprochement with the GAD Parroquial de Bulán, in search of more information from producers. Here they provided us with the contacts of the most significant fruit producers for the study. Thus, the investigation and the gathering of information continued its own looking for producers and companies of the canton. After having a meeting with Engineer Fernando Pinos, who owns a nursery called Plants and Plants and to whom the export potential test was carried out facilitated the contact of Pedro Crespo. He is a member of the Mestiza company and to whom an interview was held for the application of the export potential test. Later, in November a new approach was attempted with the MAG in Paute in search of opening to access meetings with the associations of the canton. The result was positive, and it was possible to access meetings with the associations of the canton thanks to the help and accompaniment of Doctor Luis Barrera and Engineer Moisés Álvarez who are technicians of the MAG in Paute.

Due to this lack of openness on the part of the municipal GAD of Paute, and the lack of associativity in both cantons both in Paute and in Guachapala, it was necessary to include micro-companies which fail, or comply minimally, with the criteria indicated in the parameters of selection.

3.2 PRODUCTIVE OVERVIEWS OF THE CANTON OF PAUTE, PRODUCTIVE SECTORS, INTRODUCTION TO THE TOPIC:

The canton of Paute is characterized by the productive sectors that exist in the area, which are divided into each of the parishes of the canton. Among the parishes characterized by the types of products they offer is El Cabo. It specializes in the local cuisine of the canton where local people and others from different parts of the country visit. Likewise, another parish with a special kind product is the parish of San Cristóbal, where they are dedicated to making straw hats. Similarly, the parishes of Tomebamba and Dug Dug are characterized by the production of potatoes and milk in the high areas. One of the parishes that is the most surprising is the parish of Bulán, this due to the large number of fruit orchards it has and likewise the tomato greenhouses that can be seen into the parish. Another productive characteristic of the canton is the large number of plant nurseries that exist. It would be one approach of the canton through the Cuenca - Paute route, which has a great variety of plants and trees.

The selection of actors was made through a list facilitated by the Ministry of Agriculture (MAG). The main actors chosen were: Association of Lord of Mercy from Ucumarín, G. I. Breeders from Tuncay, Association of Small Cattle Ranchers from Tomebamba, Association of De Small Milk Cattle Forks San Pedro from Naste, Association of development community "La Cruz de Plazapamba", Association of Small Milk Cattle Forks "San Antonio de Bulán", G.I. Cattle Ranchers from Gunag, G.I. Plazapamba, Association of production Fighters of the Parish Dug Dug, Association of development community San Francisco from Dug Dug, Association of development community San Vicente of Ferrer, Association Pesant La Merced of Uzhurloma, Association Peasant of Artisans San Pablo from Guarainag, Committee Women's network of Paute, Committee Women's network of Dug Dug. The parish GAD of Bulán provided a list of the most representative individual tomato producers in the area, since these are those who participate in the fairs held by the parish GAD: Engineer Galo Yupangui,

Mrs. Yolanda Abad, Mr. Jorge Abad, Mr. Tomas Delgado, Mr. Carlos Delgado, Mr. Rene Barrera. And through an own investigation made by the authors of this theses it was determined Azende, Mestiza, and the Engineers Fernando Pinos and Orlando Encalada whom are producers of plants.

Interviewees: Mestiza, Producers of tomatoe from Bulán: Engineer Galo Yupangui, Mrs. Yolanda Abad, Mr. Jorge Abad, Mr. Tomas Delgado, Mr. Carlos Delgado, Mr. Rene Barrera., Plants Producers: Plantas y Plantas of the Engineer Fernando Pinos, Plant Nursery Flowers Garden of the Engineers Orlando Encalada., Association Small Milk Cattle Forks "San Antonio from Bulán", Association Small Milk Cattle Forks San Pedro from Naste, Association of development community San Vicente of Ferrer, Peasant Association La Merced from Uzhurloma, Association of Artisans San Pablo from Guarainag, Committee Women's networking from Dug Dug.

Not Interviewed:

In the case of Azende, it was not interviewed because it is a large company that already exports.

3.3 APPLICATION OF PAUTE INTERVIEWS

3.3.1 PRODUCER ENGR. GALO YUPANGUI:

3.3.1.1 PROFILE

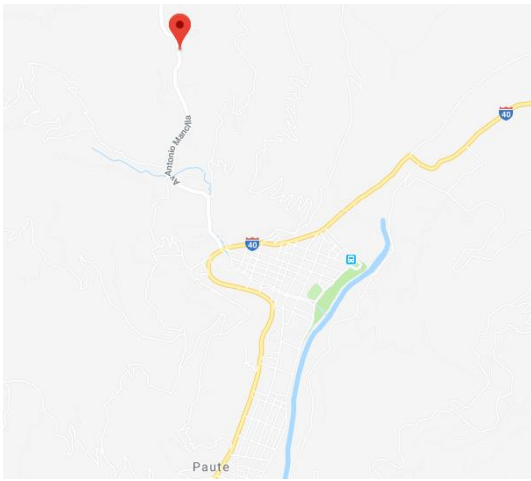
COMPANY NAME	Eng. Galo Yupangui.
PRODUCT (or range of products)	Greenhouse of Tomatoes.
LOCATION	<p>2°45'41" S 78°46'12" W</p> 
CONTACT PERSON	Eng. Galo Yupangui
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	16/10/2017

Figure 10 Profile Eng. Galo Yupangui
Authors: Nicol Garzón and Christian Lucero

3.3.1.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS

Galo Yupangui is an individual producer who does not have a legally established association but works in partnership with his family to market the product. They also dedicate themselves to the production of greenhouse tomatoes. In the past, Yupangui in conjunction with his family had established a legal organization called the Association of Producers and Marketers of table tomatoes and babaco to seek new markets for their product, but due to lack of government support they decided to dissolve the organization and work separately. When working as an individual producer, Yupangui did not have previously established objectives nor details about the mission and vision. Likewise, it lacks functional organizational charts and certifications that guarantee its product.

3.3.1.3 FINANCIAL AND ACCOUNTING ASPECTS

Yupangui has a registered RUC number and has no pending tax obligations. This producer does not have an established general budget. In the financing aspect, it does so through productive micro loans or, when necessary, through productive credits with financial institutions. The guarantees you must access these credits are your real estate. About income and expense records, Yupangui makes a personal record detailing income and expenses, which he does weekly.

3.3.1.4 PRODUCT AND PRODUCTIVE ASPECTS

The tomato is the only and main item that counts. It has a greenhouse of 1,000 square meters for its production, which represents a low degree of automation. Obtaining necessary inputs to

produce tomatoes such as fertilizer, plants or pesticides is done in Togra stores, which is their supplier of this type of supplies. The quality control of the production is carried out constantly, fumigates its plantations every 15 days, and performs soil fertilizations three times a week. It also makes constant improvements in production to increase performance and reduce costs. When working in the MAG, the same engineer provides technical assistance for its production, which makes it friendly and responsible with the environment.

3.3.1.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

Yupangui does not have advertising material to promote himself. On the contrary, the marketing of the product, client contact and promoting, is done with his family, who put together his production and sell it at the Feria Libre in Cuenca, where they have 5 stands to sell. The price of greenhouse tomato varies according to the season and the amount of supply that exists, therefore the price is between \$ 12 and \$ 24 per drawer. It is transported in boxes and goes directly from the greenhouse to its point of sale. It does not have a web page.

3.3.1.6 QUANTITATIVE ANALYSIS:

Table 5 Quantitative Analysis Eng. Galo Yupanguig

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	3	Flagship product	3	Advertising material	0
Organizational Objectives	0	Cash flow	5	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statements	0	List of suppliers	3	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	5	Tax obligations	5	Manufacturing capacity	3	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	8		21		32		3
							64

Authors: Nicol Garzón and Christian Lucero



Figure 11 Galo Yupanguig Greenhouse
Authors: Nicol Garzón and Christian Lucero

3.3.2 PRODUCER MRS.YOLANDA ABAD

3.3.2.1 PROFILE


COMPANY NAME	Mrs. Yolanda Abad.
PRODUCT (or range of products)	Greenhouse of Tomatoes.
LOCATION	2°45'41" S 78°46'12" W 
CONTACT PERSON	Mrs. Yolanda Abad
TELEPHONE AND REFERENCES	0958719258
INTERVIEW DATE	16/10/2017

Figure 12 Profile Mrs. Yolanda Abad
Authors: Nicol Garzón and Christian Lucero

3.3.2.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Mrs. Yolanda Abad is an individual producer of tomato from Guyán and has about 9 years of experience in the production of this one. Currently it does not belong to any association and does not have short or long-term objectives in which its mission and vision are integrated. It does not have functional organizational charts or certifications of its production. Previously, an attempt was made to create an association between tomato growers in Guyán, which, according to the words of Yolanda Abad, did not become greater due to the lack of commitment of each of the producers.

3.3.2.3 FINANCIAL AND ACCOUNTING ASPECTS:

Abad does not work with a RUC number, but if she has a registered RISE number¹ that is a voluntary registration regime, which replaces the payment of tax and has no pending tax obligations. She does not have a general budget at the beginning of the year, on the contrary, it is managed according to the daily income obtained from the sale of her production. As financing methods, loans with the aid of financial entities such as Jardín Azuayo were obtained in order to guarantee real state. She does not have a detailed record of her income and expenses.

3.3.2.4 PRODUCT AND PRODUCTIVE ASPECTS:

The main and only product of Abad is the tomato for table or salad. There are two greenhouses for production which do not have a high degree of automation, since no special type of machinery is needed to produce this tomato. Insecticides, fungicides, fertilizers and providers of other products needed to produce tomatoes are found locally in Paute Canton, who in turn are responsible for quality controls on tomato production. Mrs. Abad carries out improvement projects in her production through the technical assistance provided by the MAG and its suppliers. It does not have quality certifications endorsed by any certifying institution.

¹It is a voluntary registration regime, which replaces the payment of taxes.

3.3.2.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

There is no advertising material to promote its product. On the contrary, its marketing and promotion is done locally at Paute and at the free fair in Cuenca. The price of greenhouse tomatoes varies according to the season and the amount of supply that exists, therefore, the price is between \$ 12 and \$ 24 per drawer. It is transported in boxes and goes directly from the greenhouse to its point of sale. No website is available.

3.3.2.6 QUANTITATIVE ANALYSIS:

Table 6 Quantitative Analysis Mrs. Yolanda Abad

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	3	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	8		13		26		3
							TOTAL
							50

Elaborate by: Nicol Garzón and Christian Lucero



Figure 13 Mrs. Yolanda Abad Greenhouse
Authors: Nicol Garzón and Christian Lucero

3.3.3 PRODUCER MR. JORGE ABAD:

3.3.3.1 PROFILE


COMPANY NAME	Mr. Jorge Abad.
PRODUCT (or range of products)	Greenhouse of Tomatoes.
LOCATION	2°45'41" S 78°46'12" W 
CONTACT PERSON	Mr. Jorge Abad
TELEPHONE AND REFERENCES	0980077322
INTERVIEW DATE	16/10/2017

Figure 14 Profile Mr. Juan Abad
Authors: Nicol Garzón and Christian Lucero

3.3.3.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Abad is an individual producer of tomatoes who was previously part of a society of about 25 people. It had been established as a legal company, but due to disagreement and lack of commitment, it did not progress. Mr. Jorge Abad works together with his wife and sometimes he needs the help of another worker. It does not have established objectives in the short or long term, nor functional organizational charts for tomato production. It does not have quality certifications endorsed by an authorized entity.

3.3.3.3 FINANCIAL AND ACCOUNTING ASPECTS:

Abad does not have a registered RUC or RISE number that it is a voluntary registration regime, which replaces the payment of tax, nor does he have any pending tax obligations. This producer does not have a general budget either monthly or annually. The form of financing is through loans with financial institutions, and as a guarantee has mortgaged one of its production greenhouses. There are no income or expenses records.

3.3.3.4 PRODUCT AND PRODUCTIVE ASPECTS:

Abad's only product is the table tomato. Abad has around 18 years of experience in the production. It has three greenhouses, two of one thousand two hundred square meters and one of one thousand square meters. Both with a low degree of automation. The suppliers of agricultural inputs are local, clearly from the Paute canton. By depending the production of tomatoes of the season, the quantities in which this is produced vary considerably. In the past Abad produced and sold about 300 boxes of tomato per week. Currently, due to the season and the plagues that have hit the area of Guyán, around 150 boxes of tomato are produced. The quality control of the product consists in constantly checking the productive terrain. It is carried out by Mr. Abad himself frequently, and from time to time it is carried out by MAG engineers. In the same way, the abbot executes improvement projects in his production through the technical assistance provided by the MAG and its suppliers. Its production is carried out with an adequate management of the environment.

3.3.3.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS

Mr. Abad does not have advertising material for his product. Its marketing and promotion is carried out both locally in Paute and in the Free Fair of Cuenca, the sale of which is carried out directly with its customers, mostly in the city of Cuenca on Wednesdays. The price of greenhouse tomato varies according to the season and the amount of supply that exists, so the price is between \$ 12 and \$ 24 per box. Its transport is carried out in boxes and goes directly from the greenhouse to its point of sale. It does not have a web page.

3.3.3.6 QUANTITATIVE ANALYSIS:

Table 7 Quantitative Analysis Mr. Juan Abad

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	3	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	3	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	5	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	8		11		28		3
							TOTAL
							50

Authors: Nicol Garzón and Christian Lucero



Figure 15 Mr. Jorge Abad Greenhouse
Authors: Nicol Garzón and Christian Lucero

3.3.4 MR. TOMÁS DELGADO:

3.3.4.1 PROFILE


COMPANY NAME	Mr. Tomás Delgado.
PRODUCT (or range of products)	Peach and apple.
LOCATION	2°43'19" S 78°46'8" W 
CONTACT PERSON	Mr. Tomás Delgado
TELEPHONE AND REFERENCES	0993733217
INTERVIEW DATE	17/10/2017

Figure 16 Profile Mr. Tomás Delgado
Authors: Nicol Garzón and Christian Lucero

3.3.4.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Mr. Tomás Delgado is an individual producer of tomato, who is not part of an association due to the lack of organization in the existing associations. Most of the associations have been created only to have better technical knowledge with regarding production, but they do not focus on an associative sale of the products. It does not have established goals within its business. Management is done on its own and sometimes with the help of his child. When the demand for the product is high it hires labor for its production. It does not have functional organizational charts for its business nor certifications endorsed by authorized institutions.

3.3.4.3 FINANCIAL AND ACCOUNTING ASPECTS:

Mr. Delgado does not have a RUC number or RISE registered that it is a voluntary registration regime, which replaces the payment of tax and no pending tax obligations either. He does not have a general monthly or annual budget, but its budget is managed with the income it generates when selling its product to invest in the next harvest. When due to climatic reasons or other factors it cannot be financed with the profits of its sales. He goes to credits of financial institutions to get specific loans from Jardín Azuayo, being in this case the guarantee its land of production. He does not keep records detailing income and expenses of his business.

3.3.4.4 PRODUCT AND PRODUCTIVE ASPECTS:

Delgado has an experience of 25 years in the cultivation of fruit trees. His main products are peach and apple, but besides them it has what is called the reina claudia, guinea pigs, etc. The production of their crops is seasonal, that is, depending on the season and they do not need any type of machinery for their production. The suppliers of agricultural inputs are local, from the canton Paute, specifically the Togra stores and the warehouse of Mr. Mario Rea. Mr. Delgado does not perform quality control in their production continuously, as well as projects to improve their production, it is due to the limited technical assistance received by MAG. Its production is carried out with an adequate management of the environment.

3.3.4.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

Delgado does not have advertising material for his product. His marketing and promotion is done locally at the Paute and Cuenca fairs. The price of peach and apple vary according to the season and the amount of supply that exists, the price is around \$ 15 per bucket. The peach and apple are produced around 30 buckets per week. It is transported in buckets and goes directly from the land where it is harvested to its point of sale.

3.3.4.6 QUANTITATIVE ANALYSIS:

Table 8 Quantitative Analysis Mr. Tomás Delgado

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	0	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	0	Quality controls	0	People in marketing work	0
Certification	0	Financing	3	Improvement projects	3	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	3	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	3		8		19		3
							TOTAL
							33

Authors: Nicol Garzón and Christian Lucero

3.3.5 PRODUCER MR. CARLOS DELGADO:

3.3.5.1 PROFILE

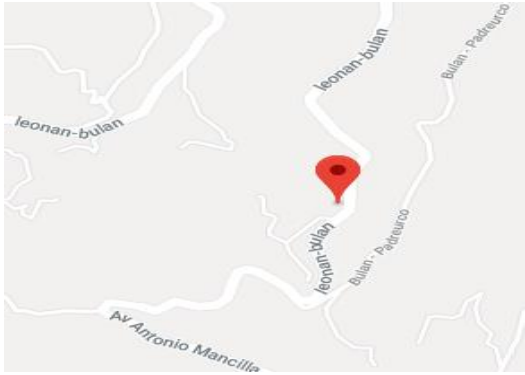
COMPANY NAME	Mr. Carlos Delgado.
PRODUCT (or range of products)	Fruit trees and greenhouse of tomatoes.
LOCATION	<p>2°43'56" S 78°46'32" W</p> 
CONTACT PERSON	Mr. Carlos Delgado
TELEPHONE AND REFERENCES	0967415225
INTERVIEW DATE	17/10/2017

Figure 17 Profile Mr. Carlos Delgado
Authors: Nicol Garzón and Christian Lucero

3.3.5.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Mr. Carlos Delgado is an individual producer of fruit trees that does not have a legally established association. One of its main objectives is to grow production and innovate in the cultivation of fruit trees and tomatoes. It does not have functional organizational charts within its business, nor with certifications that guarantee its production.

3.3.5.3 FINANCIAL AND ACCOUNTING ASPECTS:

Delgado does have a RUC number registered and has no pending tax obligations. He does not have a fixed monthly or annual budget. It varies depending on factors such as demand, supply, climate, etc., so making a budget is complicated. He works with credit from financial institutions, such as Jardín Azuayo, where sometimes the same crop serves as a guarantee. Delgado keeps a record of both income and expenses that he makes each month.

3.3.5.4 PRODUCT AND PRODUCTIVE ASPECTS:

He has a production of seasonal crops of fruit trees and an annual production of tomato greenhouse. The land for these crops is about three hectares, which has a low degree of automation, since the crop does not need any type of machinery for its production. Within the fruit trees, the peach, the Queen Claudia and the apple are given around 25 weekly buckets of each product. The suppliers of agricultural inputs are local Paute canton. Mr. Delgado carries out constant quality controls in his production, but the improvement projects in it do not happen very frequently, due in large part to the little technical assistance he receives. He has an adequate environmental management.

3.3.5.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

He does not have advertising material of the product, his marketing and promotion is done locally, in Paute fairs and in the free fair in Cuenca. The price of peach and apple vary according to the season and the amount of supply that exists, the price is between \$ 15 per bucket. The price of greenhouse tomato varies, in the same way, according to the season and the amount of supply that exists, therefore the price is between \$ 12 and \$ 24 per bucket. His transport is done in boxes and goes directly from the land where it is harvested to its point of sale. He does not have a web page.

3.3.5.6 QUANTITATIVE ANALYSIS:

Table 9 Quantitative Analysis Mr. Carlos Delgado

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	3	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	0	Quality controls	3	People in marketing work	0
Certification	0	Financing	0	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	3	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	6		5		22		3
							TOTAL
							36

Authors: Nicol Garzón and Christian Lucero

3.3.6 PRODUCER MR. RENE BARRERA:

3.3.6.1 PROFILE

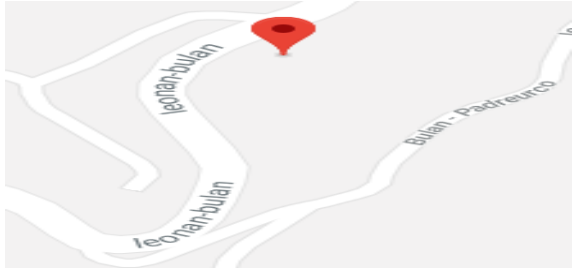
COMPANY NAME	Mr. Rene Barrera.
PRODUCT (or range of products)	Peach, Apple, Reina Claudia.
LOCATION	2°43'59" S 78°46'32" W 
CONTACT PERSON	Mr. Rene Barrera
TELEPHONE AND REFERENCES	0988613160
INTERVIEW DATE	19/10/2017

Figure 18 Profile Mr. Rene Barrera
Authors: Nicol Garzón and Christian Lucero

3.3.6.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Barrera is an individual producer who belongs to an association called San José de Paute Association of Producers and Marketers, but he does not have joint participation as each one produces on their own. According to Mr. Barrera, the objectives in the management of fruit trees is from the sowing. Marketing starts the third or fourth year and thus it stays like that for an average of ten years. He does not have functional business organization charts. He has two people who work with him in the different activities of fruit growing, but they do not do it through hiring, they work for hours. It does not have certifications endorsed by authorized institutions.

3.3.6.3 FINANCIAL AND ACCOUNTING ASPECTS:

Barrera does not work with RUC number or RISE. Despite not having a specifically detailed budget it does exist a budget in which it involves soil fertilization programs, phytosanitary controls, investments in personnel for harvesting, transportation and sale. Mr. Barrera does not have financial credits with any financial entity, nor do they record income and expenses.

3.3.6.4 PRODUCT AND PRODUCTIVE ASPECTS:

Barrera owns a production of seasonal crops of peach and apple mainly. He has two hectares of land for the cultivation of the product. His production is around 30 weekly buckets of each product. When the product does not need any type of machinery for its production, due to the topography of the land, it is worked manually, and this originates that the degree of automation of the plant is low. The suppliers of agricultural inputs are based locally specifically from the Paute canton. It performs quality control and production improvement in a not very constant way, mainly since it does not receive any technical assistance. Mr. Barrera considers that his product is different from the rest due to the management of both the soil and the use of chemical products, that is, he has an adequate management of the environment.

3.3.6.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

He does not have advertising material for the product. Its marketing and promotion is done directly at a local level in Paute and Cuenca fairs. The price of peach and apple vary according to the season and the amount of supply that exists. Price is around \$ 15 per box, where they fit an average of 100 units of the product. His transport is done in boxes and goes directly from the land where it is harvested to its point of sale. He does not have a web page.

3.3.6.6 QUANTITATIVE ANALYSIS:

Table 10 Quantitative Analysis Mr. Rene Barrera

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	3	Flagship product	5	Advertising material	0
Organizational Objectives	5	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	3	People in marketing work	0
Certification	0	Financing	3	Improvement projects	3	Personnel in customer service	0
Experience	5	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	0	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	15		16		19		3
TOTAL							53

Authors: Nicol Garzón and Christian Lucero

3.3.7 PLANT NURSERY PLANTAS Y PLANTAS:

3.3.7.1 PROFILE


COMPANY NAME	Plantas y Plantas.
PRODUCT (or range of products)	Plants.
LOCATION	2°47'32" S 78°45'53" W 
CONTACT PERSON	Eng. Fernando Pinos
TELEPHONE AND REFERENCES	0984190227
INTERVIEW DATE	11/11/2017

Figure 19 Profile Pantas y Plantas

Authors: Nicol Garzón and Christian Lucero

3.3.7.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Fernando Pinos is an individual plant producer. Despite working in conjunction with his family the engineer is not legally associated with it. In the past, an attempt was made to create a Forest Operator. Six partners were to belong to it, but due to documentation and requirements that were required for its creation such as; environmental engineers, fourth and fifth level

engineers, etc., it was not possible to do it because of the costs this represents. Due to this, it was decided to be individual producer. According to engineer Pinos, his idea has always been to export, but this is very difficult due to the type of pests that attack his production, such as the white fly.

Engineer Pinos sets objectives every year which are mainly focused on the growth of the business he owns. He does not have functional organizational charts. It has four workers, who do not have a specific activity, but are dedicated to the different activities necessary to produce plants. They are guided according to the work schedules which include dates of necessary activities for production, such as grafts for production, mostly carried out in January, February and March. The engineer has an artisanal qualification, a certificate endorsed by the Ministry of the Environment for the operation and production of forest, fruit and native plants and the certificate of operation from Agrocalidad.

3.3.7.3 FINANCIAL AND ACCOUNTING ASPECTS:

Fernando Pinos works with RUC number, but it is not up to date with all its tax obligations. Plants and plants, has a general budget which is carried out annually. Within this budget it establishes close to eighty to ninety thousand dollars that it allocates to investment. Likewise forecasts between two hundred and three hundred thousand dollars a year in sales. His financing is carried out through loans with financial institutions as the BAN Ecuador and the Jardín Azuayo, the guarantees it has for these loans are its real estate. It has a person who works in the accounting department who presents records of income and expenses every 6 months.

3.3.7.4 PRODUCT AND PRODUCTIVE ASPECTS:

The main product of the engineer Pinos are the plants. Together with his family he has a production of 350,000 plants per year. The price of the plants varies between \$ 1 to \$ 14 depending on the size of the plant and the attributes it has. Earnings are not always constant but can reach approximately \$ 500. The degree of automation of the plant is low because all the procedures are done manually. Except for the germination nursery of ornamentation, which presents a little technicality and its being operating around 3 years. It does not have any kind of records of suppliers of raw material necessary for its business, but it buys in different premises of both Paute and Cuenca. Engineer Pinos has three technicians, two agronomists and one environmental engineer who oversee quality control and improvement projects in production. Its environmental management is adequate since it does not use chemical products.

3.3.7.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

Pinos advertising is done through social networks like Facebook. He used them in order to present his product. The commercialization of its production is carried out through fairs and through its plant nursery in which it sells the plants directly. It does not have a web page.

3.3.7.6 QUANTITATIVE ANALYSIS:

Table 11 Quantitative Analysis Pantas & Plantas

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	3	Flagship product	5	Advertising material	3
Organizational Objectives	3	Cash flow	3	Automation	0	Slogan or commercial logo	5
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	5	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	5	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	3
				Technical assistance	3	Contact with clients	5
				Products under specific designs	3	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	5		
				Maintenance of machinery	3		
				Logistic service provider	3		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	18		17		42		16
							TOTAL
							93

Authors: Nicol Garzón and Christian Lucero



Figure 20 Plant Nursery Plantas & Plantas Sign

Authors: Nicol Garzón and Christian Lucero



Figure 21 Plant Nursery Plantas & Plantas Products

Authors: Nicol Garzón and Christian Lucero

3.3.8 MESTIZA:

3.3.8.1 PROFILE


COMPANY NAME	Mestiza.
PRODUCT (or range of products)	Manufacture of ceramic products for the garden and table industry.
LOCATION	2°47'57" S 78°46'6" W 
CONTACT PERSON	Pedro Crespo
TELEPHONE AND REFERENCES	0993229073
INTERVIEW DATE	15/11/2017

Figure 22 Profile Mestiza
Authors: Nicol Garzón and Christian Lucero

3.3.8.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Mestiza is incorporated as a company and it has 4 partners who contributed with the capital to organize the company. Mestiza is dedicated to the manufacture of ceramic products for the garden and table industry. Mestiza detailed profitability and sales volume objectives were established at 5 and 10 years period. The company sets general objectives on an annual basis and holds meetings with the board on a quarterly basis to evaluate the results. Within the general plan of the company one of the main markets to which they point more strongly is the Peruvian market. Being located 200 km from the border with Peru allows the company to make land dispatches. The company has a strong investment of time and work where nearly 50,000 pots have been sold in the Peruvian market. The relationship with customers is fluid, and above all because the commercial channel developed in Peru, Chile and Colombia are from the same actors. Specifically, the Falabella and Cencosud groups, which are Chilean companies that are not in Ecuador because Ecuador is a small market.

The company has functional organizational charts where tasks are specified to each member of the organization and has established schedules with responsible and delivery dates. It has 25 workers, of which 18 are dedicated specifically to production issues and 7 to administration issues. It has certifications for its operation endorsed by authorized entities.

3.3.8.3 FINANCIAL AND ACCOUNTING ASPECTS:

Mestiza has a RUC number registered and is up to date with respect to its tax obligations. The company establishes general budgets every month to cover productive, administrative issues, etc. The form of financing that the company manages is done through small loans of capital with financial institutions. It has its own real estate as collateral, but the form that the company uses most for its financing is through its partners. The company has people in charge

of the accounting area of the company, present cash flows records, as well as balances of results each month.

3.3.8.4 PRODUCT AND PRODUCTIVE ASPECTS:

The company produces different types of ceramic products intended for the plant and table industry. The items that the company bills the most are a water dispenser and pots, but understanding that the market needs are growing more and more, the company has diversified its production with products such as tableware, hand washing, etc., which have a fast sales growth. The company in addition has manuals of productive procedures of its products, which have been internalized with the personnel in charge of the production subject. The raw material that the company uses the most is clay, and around 95% of the raw material it uses is obtained nationally, and only 5% abroad. The company has an average degree of automation of the plant. It has two people in charge; one of the maintenance of the machinery of the plant along with foreign companies that also provide maintenance to the plant, and another specifically responsible for quality control of production of the plant, likewise projects of continuous improvement are executed in all areas of the company. Currently, the company already exports to Peru and Chile and is close to entering the Colombian market in February 2018.

3.3.8.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The way to advertise its product is through social networks. The company has pages on Facebook, Instagram, YouTube, etc., and has a website whose address is www.mestiza.com. The company sells in Ecuador in about 300 sale points with a variation of orders of pots in each one. These points of sale are divided into different supermarket chains such as Supermaxi, Megamaxi and Gran Aki with around 60 sale points, Kiwi and Mega Kiwi with around 25 sale points, Ferrisariato and my commissary with around 40 sale points, Todogar with 14 sale points and Sukasa with 5 sale points, in Coral Centro in around 10 sale points, in the Mega iron in around 6 sale points, in Colineal in 5 sale points but that it is expected to be able to grow to 20 points, and the rest are divided into smaller customers that the company has.

In Peru it has 20 points of sale with a chain called Promart, and 50 more points of sale through a chain called Sodimac. In Chile they are in 80 points of sale through the same company Sodimac and it is expecting by February 2018 to enter 50 points of sale in Colombia through Sodimac itself. Regarding the product price in the points of sale, it varies according to the sizes, starting with the smallest products at \$ 1.55 and it might increase approximately between \$ 2.30 and \$ 2.50 more. In addition, although the subject of marketing in the company is not yet fully developed, it has personnel specifically in charge of marketing and advertising the product, it has slogan, commercial name and registered trademark. About customer service, the company has personnel in charge of the service and contact with them is primarily through social networks.

3.3.8.6 QUANTITATIVE ANALYSIS:

Table 12 Quantitative Analysis Mestiza

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	5	General budget	5	Flagship product	5	Advertising material	3
Organizational Objectives	5	Cash flow	5	Automation	3	Slogan or commercial logo	5
Main advantages	5	Financial results statements	5	List of suppliers	5	Product promotion	5
Functional organization chart	5	Cost per product	5	ISO standards	3	Budget for marketing	3
Procedure manuals	5	Guarantee	5	Quality controls	5	People in marketing work	3
Certification	0	Financing	5	Improvement projects	5	Personnel in customer service	5
Experience	5	Tax obligations	5	Manufacturing capacity	5	Customer service procedures	3
				Technical assistance	5	Contact with clients	5
				Products under specific designs	3	Suggestions mailbox	3
				Staff training	5	Web page	3
				Age of machinery	3		
				Maintenance of machinery	5		
				Logistic service provider	3		
				Packaging	5		
				Adequate environmental management	5		
SUMMATION	30		35		65		38
							TOTAL
							168

Authors: Nicol Garzón and Christian Lucero



Figure 23 Mestiza Company Dinnerware Products

Authors: Nicol Garzón y Christian Lucero



Figure 24 Mestiza Company Outside Shot of the Manufacturing Facility

Authors: Nicol Garzón y Christian Lucero



Figure 25 Mestiza Company Shipping Area
Authors: Nicol Garzón y Christian Lucero



Figure 26 Mestiza Company Pot Products
Authors: Nicol Garzón y Christian Lucero

3.3.9 PLANT NURSERY FLOWERS GARDEN:

3.3.9.1 PROFILE

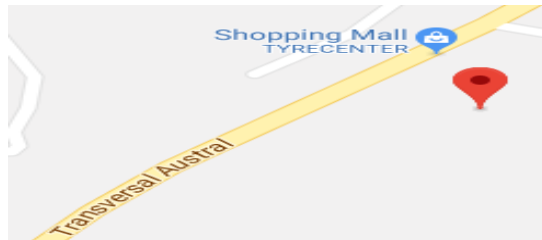
COMPANY NAME	Plant Nursery Flowers Garden.
PRODUCT (or range of products)	Plants.
LOCATION	<p>2°47'43" S 78°45'93" W</p> 
CONTACT PERSON	Eng. Orlando Encalada
TELEPHONE AND REFERENCES	0991345565
INTERVIEW DATE	11/10/2017

Figure 27 Profile Plant Nursery Flowers Garden
Authors: Nicol Garzón and Christian Lucero

3.3.9.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Engineer Orlando Encalada is an individual producer of plants with more than 10 years of experience. Company objectives are established for the period of one year and they are known by the different workers from the nursery who are very detailed into their specific responsibilities. It does not have functional organization charts, but there are job descriptions and work schedules. They are important for the movement of the business to be aware of what is being sold and what should be eliminated. It does not have certifications endorsed by authorized institutions.

3.3.9.3 FINANCIAL AND ACCOUNTING ASPECTS:

Encalada has a RUC number registered but is not completely up to date with its tax obligations. Plant Nursery Flowers Garden works with a general budget which is carried out annually. Its financing is made through commercial loans such as those of Jardín Azuayo. Guarantees it has for these loans are its real estate. It does not have detailed income and expense records.

3.3.9.4 PRODUCT AND PRODUCTIVE ASPECTS:

Plants are the main product of Plant Nursery Flowers Garden. Such as trees from 1.50 to 2.00 meters and plants in the area such as fruit trees and ornamentals, mostly sold in pots. Regarding the production of the plants, Encalada has an established program of planting plants, for example, about 10,000 plants are produced per week, of which 10% are lost and 700 trees are lost in a plot of land. A hectare and a half, 80% of the plantations are made by cutting or grafting and 20% by seeds. Depending on the day of the week different plants are grown to keep an order and it has national suppliers for its production. The prices of the plants vary by their size. Between \$ 1 and \$ 15 and monthly earnings depending on demand can reach up to approximately \$ 450.

The degree of automation of the plant is low because it does not need machinery for production. It has a person who works specifically in the production area. He performs quality controls in a constant manner, in the same way, but less frequently, improvement projects in production. It has technical assistance that allows it to have an adequate management of the environment.



Figure 28 Plant Nursery Flowers Garden Products
Authors: Nicol Garzón y Christian Lucero

3.3.9.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

This nursery does not have advertising power to promote its product nor does it have a budget allocated to advertising. The most frequent means for its commercialization and production is through fairs and personal visits in its nursery. It does not have a web site.

3.3.9.6 QUANTITATIVE ANALYSIS:

Table 13 Quantitative Analysis Plant Nursery Flowers Garden

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	3	Flagship product	5	Advertising material	0
Organizational Objectives	3	Cash flow	0	Automation	0	Slogan or commercial logo	3
Main advantages	5	Financial results statements	0	List of suppliers	3	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	3	Personnel in customer service	3
Experience	5	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	0	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	13		14		26		9
							TOTAL
							62

Authors: Nicol Garzón and Christian Lucero



Figure 29 Plant Nursery Flowers Garden Other Products

Authors: Nicol Garzón y Christian Lucero

3.3.10 ASSOCIATION SMALL FARMERS OF MILK CATTLE SAN ANTONIO FROM BULAN:

3.3.10.1 PROFILE

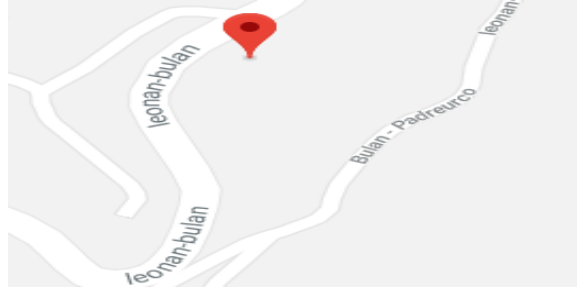
COMPANY NAME	Association Small Farmers of Milk Cattle San Antonio from Bulan.
PRODUCT (or range of products)	Milk and other derived products.
LOCATION	2°43'59" S 78°46'32" W 
CONTACT PERSON	Dr. Luis Barrera
TELEPHONE AND REFERENCES	0992298672
INTRVIEW DATE	20/11/2017

Figure 30 Profile Association Small Farmers of Milk Cattle San Antonio from Bulan

Authors: Nicol Garzón and Christian Lucero

3.3.10.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association Small Farmers of Milk Cattle San Antonio de Bulán with its representative Mr. Galo Encalada, is a company made up of 16 members. Despite being formed as an association, its members work individually, and only in specific cases they do work as an association. The association has specific objectives for a 1 to 3 years' period. These objectives have schedules, dates, resources and investments. Currently the association has a project in which the main objectives are the improvement of dairy cattle. The increase in milk production from 5 to 10 liters; in a period of 1 to 2 and half years. An agreement has been signed with the GAD Parochial from Bulan to the support in the production of this association. Support is not economic but of inputs and it also has the support of inputs by the Ministry of Agriculture. It does not have functional organization charts that detail activities for each member of the association, nor certifications of authorized entities.

3.3.10.3 FINANCIAL AND ACCOUNTING ASPECTS:

The Association Small Farmers of Milk Cattle San Antonio from Bulán does not have RUC. nor a registered RISE, nor they have pending tax obligations. It has a general budget for associative projects. Members of the association are willing to use their resources to co-finance new projects. If necessary, members work with peasant loans usually from Jardín Azuayo. The association possess real estate to be able to obtain new credits. The association does not carry any type of accounting, nor registers of income and expenses because they are individual producers.

3.3.10.4 PRODUCT AND PRODUCTIVE ASPECTS:

The association is dedicated exclusively to what is livestock. The improvement of the genetics of bovine animals and the production of milk. The improvement of the genetics of cattle is worked with cattle known as improved creole so that we cannot talk about specific breeds. For the improvement of genetics in bovine animals, the main inputs are the straws of certain types of cattle, these are the genetic material to make the improvement through insemination. This process is aimed to improve milk production. In order to control quality, the need for a veterinary kit and a sanitary or preventive plan, such as deworming, has been created. Currently, a calendar has been established for these deworming, and a record of the supplies used to demonstrate that they are being used properly is also kept, all this is done in large part due to the technical assistance provided by the MAG.

3.3.10.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The association does not have advertising material. Its marketing and promotion is carried out in local fairs depending on the offer that exists. In this way, contact with customers is done in a personal way. It does not have a web site.

3.3.10.6 QUANTITATIVE ANALYSIS:

Table 14 Quantitative Analysis Association Small Farmers of Milk Cattle San Antonio from Bulan

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	5	Flagship product	3	Advertising material	0
Organizational Objectives	5	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	0	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	13		18		23	3	TOTAL 57

Authors: Nicol Garzón and Christian Lucero



Figure 31 Association Small Farmers of Milk Cattle San Antonio from Bulan Meeting
Authors: Nicol Garzón and Christian Lucero

3.3.11 ASSOCIATION SMALL FARMERS OF MILK CATTLE SAN PEDRO FROM NASTE:

3.3.11.1 PROFILE

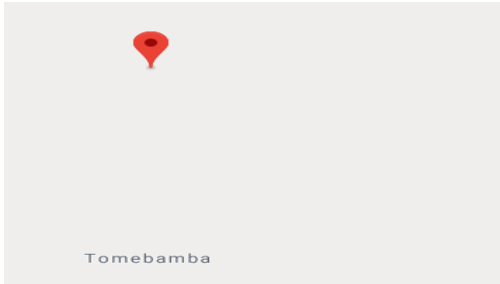
COMPANY NAME	Association Small Farmers of Milk San Pedro from Naste.
PRODUCT (or range of products)	Milk and potatos.
LOCATION	2°43'21" S 78°40'42" W 
CONTACT PERSON	Eng. Moises Alvarez
TELEPHONE AND REFERENCES	0983925503
INTERVIEW DATE	23/11/2017

Figure 32 Profile Association Small Farmers of Milk San Pedro from Naste
Authors: Nicol Garzón and Christian Lucero

3.3.11.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association Small Farmers of Milk Cattle San Pedro from Naste located in the Tomebamba parish in the canton Paute is a company mainly created with the purpose of strengthening milk production in the area. This association has the participation of 6 active members with approximately 6 years of experience. Their representative is Mrs. Carmen Buestán. Despite being legally constituted as an association, its members work individually and in certain cases they do so in an associative manner. The association does not have established objectives, functional organizational charts within the organization, nor certifications endorsed by authorized entities.

3.3.11.3 FINANCIAL AND ACCOUNTING ASPECTS:

The Association Small Farmers of Milk Cattle San Pedro from Naste does not have a RUC number nor RISE. It has a small general budget for associative projects. If necessary to cover payment plans members work with peasant loans, usually from BanEcuador or also Jardín Azuayo. The association has real estate to access to new credits. Although its members keep small accounts because they are individual producers, they do not work with income and expense records.

3.3.11.4 PRODUCT AND PRODUCTIVE ASPECTS:

The members of the association are mainly dedicated to livestock and potato farming. Regarding milk production of cattle and work with cattle there is an average of 5 cows per member. This production is about improving the genetics of it and this has been done together with the Ministry of Agriculture.

The association has an insemination thermos or also a veterinary kit containing vitamins and hormones to stimulate the heat in order to work properly with artificial insemination. This

occurs so that there is an improvement in the quality and quantity of milk that is produced. For example, for a cow to have profitability it has to give at least 12 to 15 liters of milk per day. Currently the association counts with a tank with a capacity of 1000 liter, but the association collects up to 600 liters per day.

On the other hand, the production of potatoes occurs in smaller amounts. These are grown in the lands of each member. For a good production of potatoes, from a sack that is sown, ten sacks should be harvested. The potato is a product that can be grown throughout the year. The harvest time depends on the type of potato and the height in which it has been grown, for example, the chaucha potato is given in three months and the potato chola from four to five months. Quality controls are present throughout all the processes. Improvement projects in production are carried out infrequently, without the MAG provides constant technical assistance, which allows an adequate management of the environment.

3.3.11.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The association does not have advertising resources for its products. Its main product, milk, is currently sold around 0.46 cents a liter. This association sells a liter of Nutri Milk between 0.46 to 0.48 cents, but in the area, there is also a collection center which collects around 600 to 700 liters a day, which must pay from 0.41 to 0.42 cents per liter of milk. In the case of the sale of the potato, this is given by bags at fairs, they weigh 150 pounds and their prices are between \$50 and \$10 depending on the quality of the potato. It does not have a web site.

3.3.11.6 QUANTITATIVE ANALYSIS

Table 15 Quantitative Analysis Association Small Farmers of Milk San Pedro from Naste

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	3	Flagship product	3	Advertising material	0
Organizational Objectives	0	Cash flow	5	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	5	List of suppliers	3	Product promotion	0
Functional organization chart	0	Cost per product	5	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	3	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	8		31		29	3	71

Authors: Nicol Garzón and Christian Lucero

3.3.12 ASSOCIATION OF ARTISANS SAN PABLO FROM GUARAINAG:

3.3.12.1 PROFILE

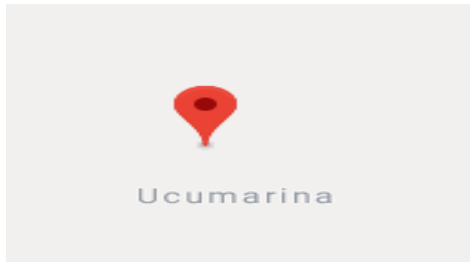
COMPANY NAME	Association of Artisans San Pablo from Guarainag. The association has an email for customer service in which orders and concerns are answered. The email is: horchatacharito@hotmail.com
PRODUCT (or range of products)	Horchata
LOCATION	2°39'48" S 78°37'53" W 
CONTACT PERSON	Eng. Moisés Álvarez (MAG)
TELEPHONE AND REFERENCES	0983925503
INTERVIEW DATE	28/11/17

Figure 33 Profile Association of Artisans San Pablo from Guarainag
Authors: Nicol Garzón and Christian Lucero

3.3.12.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association of artisans San Pablo from Guarainag is an organization that is dedicated to the production and marketing of horchata. Its brand is named Charito. The organization was initially formed with around 21 people, but currently those who are working constantly in the organization are 6 people. The association was formed 10 years ago, but horchata its been produced for 4 years. The association does not have specific short or long-term objectives, nor organization charts for the division of labor. All its members do everything by dividing their time by turns, these can be days or weeks shifts. The organization does not have any type of certification with respect to its product, but it does have a current sanitary registry.

3.3.12.3 FINANCIAL AND ACCOUNTING ASPECTS:

The association does count with a RUC number and is up to date with its tax obligations. It does not work with a general monthly or annual budget previously established. Currently it does not have any type of financing or guarantees and does not have records of income and expenses.

3.3.12.4 PRODUCT AND PRODUCTIVE ASPECTS:

To produce horchata each member of the association has small parcels of land that are destined for the cultivation of ataco, mint, lemon balm, chamomile, cedron, carnation, scancel, lemon verbena and rose essence as the raw material for the horchata. Each member contributes with about 2 kilos of each of these vegetables around every three weeks. Once they have harvested these products they gather all the production and proceed to wash the vegetables.

After this, the vegetables go to a drying oven where they remain for around 24 hours to be packaged by the members of the association.

In total One thousand bags of horchata are produced, each weighing 30 grams and sold for 50 cents. According to the members of the association, the sale of their product is a little complicated due to the competition that exists. From 1,000 bags of horchata sold approximately 700 in about three weeks give an income of around of \$ 350.

Covers in which the product is packaged are manufactured in Quito. Members of the association invested around 2,000 dollars for its manufacture, giving a cost of around 2 cents per sheath. The association has a sanitary registry obtained for over a 5 years' period. As four of them have already passed they must enter the renewal process if they want to continue producing horchata.

One of the factors that characterizes the association is the fact that they do not use any type of chemicals in production. The degree of automation of the plant is medium, where the same members are responsible for the maintenance of the machinery, the age of this machinery is around 4 years. What respects the environmental management, the productive processes do not cause discomfort in the surrounding areas, and likewise comply with the appropriate environmental management. Within the production of this association if there are constant quality controls by the technicians of the MAG and in turn also have technical assistance.



Figure 34 Association of Artisans San Pablo from Guarainag Storage Facility
Authors: Nicol Garzón and Christian Lucero

3.3.12.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The association does not have advertising material for the product. It has a commercial logo and name which is Charito. The product has a cost of \$ 0.50 cents per sleeve. The most frequent means of use for the promotion of the product are fairs and personal visits to stores for sale.



Figure 35 Association of Artisans San Pablo from Guarainag Package
Authors: Nicol Garzón and Christian Lucero

3.3.12.6 QUANTITATIVE ANALYSIS:

Table 16 Quantitative Analysis Association of Artisans San Pablo from Guarainag

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	3	Slogan or commercial logo	3
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	3
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	0	Quality controls	5	People in marketing work	0
Certification	5	Financing	0	Improvement projects	5	Personnel in customer service	3
Experience	3	Tax obligations	5	Manufacturing capacity	5	Customer service procedures	0
				Technical assistance	5	Contact with clients	0
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	5		
				Maintenance of machinery	5		
				Logistic service provider	0		
				Packaging	5		
				Adequate environmental management	5		
SUMMATION	13		5		51		9
						TOTAL	78

Authors: Nicol Garzón and Christian Lucero

3.3.13 ASSOCIATION OF DEVELOPMENT COMMUNITY SAN VICENTE OF FERRER:

3.3.13.1 PROFILE

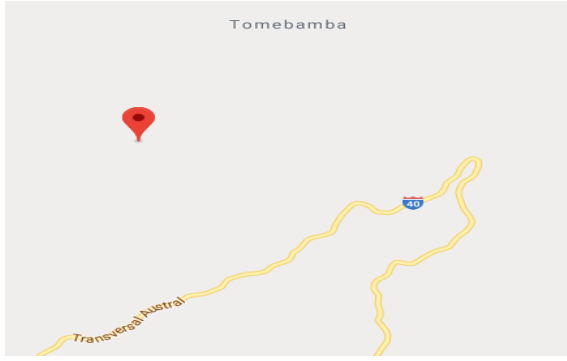
COMPANY NAME	Association of Development Community San Vicente of Ferrer.
PRODUCTO (o gama de productos)	Andean grains.
LOCATION	<p>2°45'5" S 78°41'17" W</p> 
CONTACT PERSON	Eng. Moisés Álvarez (MAG)
TELEPHONE AND REFERENCES	0983925503
INTERVIEW DATE	28/11/17

Figure 36 Profile Association of Development Community San Vicente of Ferrer
Authors: Nicol Garzón and Christian Lucero

3.3.13.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association of Development Community San Vicente of Ferrer is a company formed by seven members dedicated to the production and commercialization of Andean grains. This association has about 4 years of life and its current representative is Mrs. Carmelita Flores, the representation of the association is chosen once a year. The association does not have specific short or long-term objectives, nor does it have certifications with respect to its products nor do they work with organizational charts. All the members dedicate themselves to sowing and harvesting in their own plots and likewise all of them dedicate themselves to transportation and sale of products.

3.3.13.3 FINANCIAL AND ACCOUNTING ASPECTS:

The association does not have RUC nor RISE and it doesn't maintain any pending tax obligations. It does not have an established monthly general budget either. It currently does not work with any type of financing or guarantees. The association also does not have income and expenses records.

3.3.13.4 PRODUCT AND PRODUCTIVE ASPECTS:

The Association of Development Community San Vicente of Ferrer is dedicated to the cultivation of Andean grains, among which are: quinoa; amaranth; beans; pea barley; chocho, chia, flaxseed, soybeans. For the cultivation of these products, each of the members of the association is dedicated specifically to one or two grains depending on the season as well as the time it takes to grow each one of them. Therefore, according to the president of the Association he cannot have a certain knowledge about the exact amount of production since

there are other factors which affect production such as the types of seeds, diseases and the same climate. For the production that occurs in this association there is no type of automation.

The way this association works is contributing with 60% of what each member produces to the association for each harvest that is given. It is done depending on the season and the grain that is being sown taking into account that the volume always varies. It has not been able to give us an exact number, but each member can produce approximately 20 to 25 pounds per grain, but as mentioned previously, each member is dedicated to planting one to two grains. This is given every 3 and 4 months depending on the time the harvest takes.

Regarding the production of the grains mentioned above, these are usually sold in pounds and the price varies between \$ 1.50 and \$ 2.50. The possible income that can be obtained by the sale of each grain is around \$ 250. The grain that has more costs and profits is the amaranth, because of the work that must produce and the scarce supply in the market. On the other hand, the cheapest products and that have more offer for their easy production are: the choco, flaxseed and soybeans

The Association of Development Community San Vicente of Ferrer does have constant quality controls from the MAG technicians and has technical assistance.

3.3.13.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The association does not work with advertising material of the product, nor does it have a logo or commercial name. The most frequent means of use for the promotion of its product are fairs and personal visits to stores for the sale of products. The means of transport of the product to the points of sale is given by vans or trucks of the same members of the association and as mentioned above, the price of the products is between \$ 1.50 and \$ 2.50 per pound depending on the season.

3.3.13.6 QUANTITATIVE ANALYSIS:

Table 17 Quantitative Analysis Association of Development Community San Vicente of Ferrer

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	0	Quality controls	5	People in marketing work	0
Certification	0	Financing	0	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	3	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	8		5		26		3
							TOTAL
							42

Authors: Nicol Garzón and Christian Lucero

3.3.14 PEASANT ASSOCIATION LA MERCED FROM UZHIRLOMA:

3.3.14.1 PROFILE


COMPANY NAME	Peasant Association La Merced from Uzhurloma.
PRODUCT (or range of products)	Livestock, potato cultivation, melloco and tomato greenhouse.
LOCATION	2°45'1" S 78°41'44" W 
CONTACT PERSON	Eng. Moisés Álvarez (MAG)
TELEPHONE AND REFERENCES	0983925503
INTERVIEW DATE	29/11/17

Figure 37 Profile Peasant Association La Merced from Uzhurloma
Authors: Nicol Garzón and Christian Lucero

3.3.14.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Peasant Association La Merced from Uzhirloma has 20 years of life. It has 10 members and its current representative is Mr. Wilson Barzallo. It does not have a broad directive and the representation of the association is chosen every year. This association does not have certain short or long-term objectives, it does not have any certification about its products, nor does it work with division of labor organization charts. The association is dedicated in part to the cattle raising focused on the sale of meat. It is also dedicated to the cultivation of potatoes and melloco, but its main item is in tomato greenhouses or also known as tomato kidney.

3.3.14.3 FINANCIAL AND ACCOUNTING ASPECTS:

This association does not have a RUC number but if it has a registered RISE. It is also up to date with its tax obligations. It does not work with an established monthly general budget, currently it does not have any type of financing or guarantees and do not work with income and expense records.

3.3.14.4 PRODUCT AND PRODUCTIVE ASPECTS:

According to the president of the association the cattle ranch is not representative. It is not very time-consuming, since there is no livestock necessary for a significant sale. On the other hand, the cultivation of melloco and potatoes occurs throughout the year and is produced by sacks which weigh around 180 pounds. These are produced in periods and according to the climate variants, it can be every three of four months depending on the harvest about 12 sacks are obtained depending on the quality of the melloco and the potato.

The greenhouse tomato is produced by boxes weighted between 47 and 48 pounds and when it is being harvested, it produces about 250 boxes a week among the members. For tomato production, the total land of the greenhouses is between 5,200 meters.



Figure 38 Outside Shot of the Greenhouse of the Peasant Association La Merced from Uzhurloma Greenhouse
Authors: Nicol Garzón and Christian Lucero

For the collective production of the products of this association, the Ministry of Education has lent them an area of approximately half a hectare to be able to plant in society. In this area a little bit is already planted but not in large quantities. In addition to the potato and melloco they also work with beans, which can be produced at any time of the year and it is marketed for quintals meaning that the time to harvest both potatoes and beans is between 4 and 5 months.

The problem with growing any product is the lack of certified seeds, which complicates production for the association. On the other hand, the association does not have any type of automation; even so, if there are quality controls and technical assistance from the MAG.

3.3.14.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The Peasant Association La Merced from Uzhirloma does not work with advertising material for the product, nor does it have a logo or commercial name. The most frequent means of use for the promotion of their product are fairs and personal visits to stores for the sale of the product, likewise, the marketing of the products is individual, that is, each member is in charge of selling what has been harvested

On the other hand, products which are harvested from the land granted by the Ministry of Education are sold in partnership and there is always a percentage of the profits for the association depending on the investment that has been made, which always varies.

The prices of the products are varied depending a lot on the offer that exists in the market. For example, the sack of potatoes is between \$ 30 and \$ 40, if it comes to sell all the sacks that have been harvested, generally around 15, when the quality and demand is good it can give an income of approximately \$ 500 by harvest, which is between 3 and 4 months, so there are seasons that this price drops to \$ 15 and \$ 10 and the profit is reduced approximately to \$ 230 from the same harvest. The same happens with greenhouse tomato. The price reaches up to \$ 20 per box and in a week, it can make profits of \$ 5000 if all the boxes are sold and likewise it costs up to \$ 3 a box and the profits reach \$ 750. This happens since there is no safe market and the competition with respect to the greenhouse tomato is very strong so in very few times the box has eager to be at \$ 20.

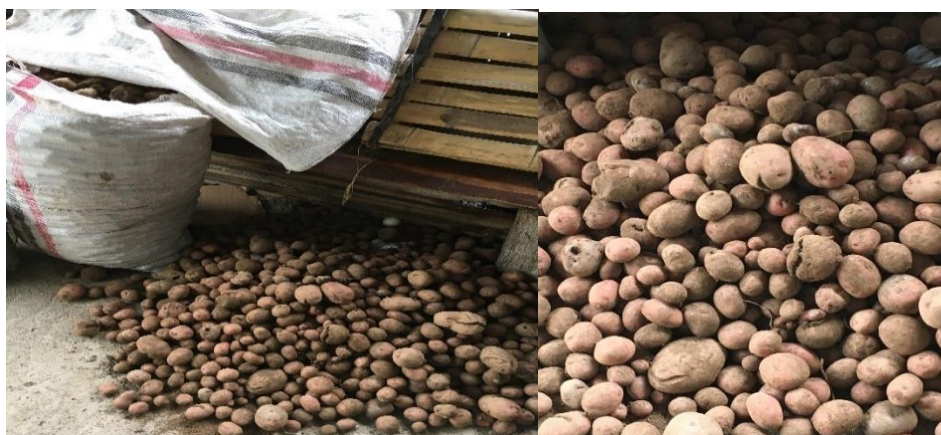


Figure 39 Inside shot of the Potatoes Production of the Peasant Association La Merced from Uzhurloma
Authors: Nicol Garzón and Christian Lucero

3.3.14.6 QUANTITATIVE ANALYSIS:

Table 18 Quantitative Analysis Peasant Association La Merced from Uzhurloma

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statements	0	List of suppliers	0	Product promotion	3
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	0	Quality controls	5	People in marketing work	0
Certification	0	Financing	0	Improvement projects	5	Personnel in customer service	0
Experience	5	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	3		
SUMMATION	8		5		26		6
							TOTAL
							45

Authors: Nicol Garzón and Christian Lucero

3.3.15 WOMEN'S NETWORK COMMITTEE FROM DUGDUG:

3.3.15.1 PROFILE


COMPANY NAME	Women´s networking committee from DugDug.
PRODUCT (or range of products)	Tomatoes greenhouse and guinea pig hatchery.
LOCATION	2°44'25" S 78°43'26" W 
CONTACT PERSON	Eng. Moisés Álvarez (MAG)
TELEPHONE AND REFERENCES	0983925503
INTERVIEW	30/11/17

Figure 40 Profile Women´s networking committee from DugDug
Authors: Nicol Garzón and Christian Lucero

3.3.15.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The DugDug Women's Network Committee Association has been working for more than 10 years, it is currently made up of 10 members and its legal representative of the current year is Mrs. Jenny Tapia, the legal representation is elected each year. The association does not have certain short and long-term objectives, it does not have certified products and it does not have an organization chart of functions or division of work. In general, all the members know how to do all the work and each day one of the members is in charge to check that all the work of sowing and harvesting is in order.



Figure 41 Women´s networking committee from DugDug Meeting
Authors: Nicol Garzón and Christian Lucero

3.3.15.3 FINANCIAL AND ACCOUNTING ASPECTS:

This association has a RUC number registered and is up-to-date with respect to its tax obligations. On the other hand, it does not have a general monthly or annual budget established nor does it have detailed records of income and expenses. As part of its financing, the association owns small credits with the Jardín Azuayo. For the amount of money needed there is no need of guarantees as real estate, but guarantors, which become the same companions of the association.

For the creation of the tomatoes greenhouse the association borrowed \$ 10,000. The association could choose its form of payment and this was made after 6 months of what the loan was requested.

3.3.15.4 PRODUCT AND PRODUCTIVE ASPECTS:

In order to produce tomatoes there exists a greenhouse of a space of 15x30, in which approximately 2,600 plants fit. The greenhouse tomato is produced by boxes, when it is being harvested, it produces around 300 boxes per week, 6 members out of the 10 that form part of the DugDug Women's Network Committee work in this greenhouse. The tomato is produced after three months, but it is worked daily so that each day a different member of the committee is there to make sure that there is a correct production.

With respect to the breeding of guinea pigs the association it was given a total of 11 guinea pigs. Among which were 10 females and 1 male, this was done with the purpose of the starting breeding and with the condition that the 11 guinea pigs should be returned. The guinea pigs were returned seven months after the hatchery started. For the hatchery, the association has technical help from the MAG such as workshops on feeding, reproduction, etc.

The association does not have any degree of automation, but it does have quality control and production improvement projects. These thanks to the support of the MAG and the assistance of its technicians.

3.3.15.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The DugDug Women's Network Committee does not work with advertising material for the product, nor does it have a logo or trade name. The most frequent means of use for the promotion of its product are fairs and personal visits to stores. For the selling the products, likewise, the marketing of the products is individual, that is, each member oversees selling what has been harvested.

The prices of the products are varied. For example, greenhouse tomato can reach up to \$ 20 per box and likewise its price goes down to \$ 3 per box. This happens since there is no safe market and every harvest is done every three months. Gains of \$ 5000 can be obtained as well as gains of \$ 750, if the market is not stable. On the other hand, the guinea pig is around \$ 8 and \$ 10 also depending a lot on the quality of the guinea pig.

3.3.15.6 QUANTITATIVE ANALYSIS:

Table 19 Women's networking committee from DugDug

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	5	Financial results statements	0	List of suppliers	0	Product promotion	3
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	5	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	10		13		30		6
							TOTAL
							59

Authors: Nicol Garzón and Christian Lucero

PAUTE FAIR:



Figure 42 Paute Fair

Authors: Nicol Garzón and Christian Lucero

3.4 PRODUCTIVE OVERVIEWS OF GUACHAPALA CANTON, PRODUCTIVE SECTORS, INTRODUCTION TO THE SUBJECT:

Guachapala is a canton characterized mainly by its production of peach, apple and greenhouse tomato. The canton has small producers of the products that are grouped by organizations called of associations. One of the problems faced by Guachapala is pests such as the chicken eye that affects production. Likewise, certain sectors of Guachapala, highlands especially, are dedicated to what is the sowing of potatoes, but this in small amounts.

Players: Sustainable Association of Agricultural Producers from Guachapala, Agricultural Association Santa Teresita, Association of Small Producers of Agriculture and Livestock from Chaullayacu, Association of Social and Community Development of Parig, Association of Small Agricultural Producers from Guasag, Association of Small Agricultural Producers from Gullancay, Association of Small Agricultural Producers of Agllan.

Interviewees: Sustainable Association of Agricultural Producers from Guachapala, Agricultural Association Santa Teresita, Association of Small Agricultural and Livestock

Producers from Chaullayacu, Association of Social and Community Development of Parig, Association of Small Agricultural Producers from Guasag, Association of Small Agricultural Producers from Gullancay, Association of Small Agricultural Producers of Agllan.

3.5 APPLICATION OF GUACHAPALA INTERVIEWS

3.5.1 AGRICULTURAL ASSOCIATION SANTA TERESITA:

3.5.1.1 PROFILE


COMPANY NAME	Agricultural Association Santa Teresita.
PRODUCT (or range of products)	Tomatoes greenhouse and guinea pig hatchery.
LOCATION	2°44'17" S 78°39'22" W 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	25/09/2017

Figure 43 Profile Agricultural Association Santa Teresita
Authors: Nicol Garzón and Christian Lucero

3.5.1.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

Agricultural Association Santa Teresita of Don Julio, has been constituted as an association since 2008. It is currently represented by Mr. Pedro Matute as president of the association and 40 active members. The election of its representatives is done annually. From the active members, 99% of the members are dedicated to agriculture and work individually into their crops. The association has eight years of experience, but it does not have short nor long-term objectives. It does not have certifications of any of its products and does not have function charts either. Members are dedicated individually to their crops and the association was created with the intention of producing associatively, but it is used more for technical issues such as improvement projects for crops.

3.5.1.3 FINANCIAL AND ACCOUNTING ASPECTS:

This association does not work with RUC number nor RISE. It does not have an established monthly or annual general budget, nor does it have detailed income and expense records. Currently, it does not work with any type of financing, nor does it have any guarantees. If it is necessary, the association would get peasant loans usually from the Jardín Azuayo.

Members of the association are willing to have resources to co-finance new projects, if it is necessary. The association has real estate assets to be able to access to new mortgages on its own land, although the members of the association point out that the loans are never high. Likewise, they assure that they are up to date with all the tax obligations.

3.5.1.4 PRODUCT AND PRODUCTIVE ASPECTS:

The association produces granadilla, tomato and potato. Even so, the association can produce all kinds of vegetables, but the lack of an irrigation system prevents them from producing in more quantity and with a better quality. The production in the area is given throughout the year by seasons. It depends a lot on the time and climate, so you cannot have an exact volume of what they produce. This also occurs because they do not always grow the same products.

Producers also have land or small plots in which they grow tree tomato, passion fruit and other different types of vegetables. They also receive frequent technical assistance from the MAG. The association does not have any degree of automation but does have quality controls and production improvement projects.

3.5.1.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS

The prices of the products of the association vary according to the season and the amount of supply that exists. The production is marketed locally in the cantons of Guachapala and Paute.

Suppliers of agricultural inputs are mostly from Paute. The product does not need any type of machinery for its production and it does not have licenses or certifications. The packaging of the product is done in boxes, which are transported until they reach their destination. Its transport is carried out through boxes and goes directly from the greenhouse to its point of sale. The association does not have a registered trademark or promotions, nor does it work with any type of advertising material. Its only approach with customers is face to face at the time of purchase.

3.5.1.6 QUANTITATIVE ANALYSIS:

Table 20 Quantitative Analysis Agricultural Association Santa Teresita

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statement	0	List of suppliers	3	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	3	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	3	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	6		13		29		3
							51

Authors: Nicol Garzón and Christian Lucero



Figure 44 Agricultural Association Santa Teresita Meeting
Authors: Nicol Garzón and Christian Lucero



Figure 45 Agricultural Association Santa Teresita Workshop
Authors: Nicol Garzón and Christian Lucero

3.5.2 ASSOCIATION OF SMALL AGRICULTURAL AND LIVESTOCK PRODUCERS OF CHAULLAYACU:

3.5.2.1 PROFILE


COMPANY NAME	Association of small agricultural and livestock producers of Chaullayacu.
PRODUCT (or range of products)	Tomato greenhouse and vegetables.
LOCATION	2°46'4" S 78°42'43" W 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	26/09/2017

Figure 46 Profile Association of small agricultural and livestock producers of Chaullayacu
Authors: Nicol Garzón and Christian Lucero

3.5.2.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association of small agricultural and livestock producers of Chaullayacu is an informal organization with six years of experience of individual producers with commercial purposes. This association has not determined short and long-term objectives. Exporting has not been one of its plans, nor does it work with organization charts or function manuals. It doesn't have certifications about its products or its production practices either. In the same way there is always technical assistance from the engineers working within the MAG.

3.5.2.3 FINANCIAL AND ACCOUNTING ASPECTS:

The Association does not have a RUC number nor RISE, nor does it have pending tax obligations. It does not work with a general monthly or annual budget. Currently it does not have any type of financing, guarantees, nor income and expenses records. At the present, the association is willing to have certain resources to co-finance future projects. The association works with peasant loans which are not very high, so no guarantees are needed. In case guarantees are needed, its own land acts as real estate from which mortgage loans could be accessed.

3.5.2.4 PRODUCT AND PRODUCTIVE ASPECTS:

The members of the Association have small plots of land in which the different vegetables are grown, but in turn they have individual greenhouses in which they produce the greenhouse tomato. The association does not have any degree of automation or need any type of machinery for its production and does not have licenses or certifications. It does have technical assistance and improvement projects thanks to the help of the MAG.

The production of greenhouse tomatoes occurs throughout the year but is done in stages. The whole land is never used as to produce only tomato. Every three months it is planted in different parts of the land. An order is followed and that as the purpose of not generate waste. In the case of other vegetables and fruits production is done according to the season crops, known as seasonal, but the land is always being cultivated. Volumes are not so high, since mainly its production is for its own catering.

3.5.2.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

Products do not have promotions nor advertising. The association works with a person-to-person contact at the time of sale and does not have any other contact with its clients. The commercialization of the products is carried out at the local level of the canton, as well as in the canton of Paute. The suppliers of agricultural inputs are from the local environment and from Paute, but they are not fixed.

The prices of the products vary according to the season in which they are harvested and the supply and demand that exists at that moment. It does not have a constant volume destined to sales or fixed prices. The products are marketed especially in fairs that are given locally and in Paute. The packing is in boxes until they reached the next destination by land transport.

3.5.2.6 QUANTITATIVE ANALYSIS:

Table 21 Quantitative Analysis Association of small agricultural and livestock producers of Chaullayacu.

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statement	0	List of suppliers	3	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	5	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	6		13		33		3
							TOTAL
							55

Authors: Nicol Garzón and Christian Lucero



Figure 47 Association of small agricultural and livestock producers of Chaullayacu Meeting
Authors: Nicol Garzón and Christian Lucero

3.5.3 ASSOCIATION OF SMALL AGRICULTURAL PRODUCERS OF GUASAG:

3.5.3.1 PROFILE


COMPANY NAME	Association of Small Agricultural Producers of Guasag.
PRODUCT (or range of products)	Tomato greenhouse and vegetables.
LOCATION	<p>2°46'38" S 78°42'30" W</p> 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	28/09/2017

Figure 48 Profile Association of Small Agricultural Producers of Guasag
Authors: Nicol Garzón and Christian Lucero

3.5.3.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association of Small Agricultural Producers of Guasag is an organization of individual producers. It is made up of 16 members who cultivate as a family tradition. They do not have work division organization charts nor function manuals.

The Association is formed by 16 members who cultivate as a familiar tradition. This association faces some limitations as the lack of irrigation. Within this region a great variety of vegetables and fruits can be produced depending on the seasons, like seasonal crops.

Production does not occur in abundance and the priority of the association is its own supply. The association largest production is greenhouse tomato, potatoes, corn and blackberry.

3.5.3.3 A FINANCIAL AND ACCOUNTING ASPECTS:

The Association does not have a RUC number nor RISE. It does not work with a monthly or annual budget and its financing is made through micro-credit peasants. To obtain it most do not need guarantees since they are small amounts, even so, in the case of guarantees being necessary, they have real estate to access to mortgage loans on their land.

3.5.3.4 PRODUCT AND PRODUCTIVE ASPECTS:

This association works in small areas belonging to each one of the members destined specifically to the production of vegetables. Its star product is the greenhouse tomato which is produced around 200 boxes per week. Each box weighs approximately 45 pounds if the harvest has been successful. The price per box varies between \$ 20 as the best profit and it gets down to \$ 3 as the lowest profit. Other products such as potatoes, corn and arrearers are cultivated as well. For this production it is not necessary to manage machinery since the crop is grown by the producers themselves. Suppliers of agricultural inputs are local and especially from Paute. The production is annual divided by seasons except for the greenhouse tomato since it occurs throughout the year.

The association does not have licenses or certifications for its product or production process. The production of this association is marketed locally and within the canton of Paute through the fairs. Transport of the products is done through drawers to reach their destination

3.5.3.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The prices of the products can vary according to the seasons as well as the offer of the same product on the market. Such variations can be of greenhouse tomatoes with prices from \$ 3 per box to \$ 20 when production is good, and the demand is strong. Vegetables do not have fixed prices since they sell as the customer wants to buy, either by weight or by monetary value. These products, neither the association have a registered trademark, nor promotions. There is no other contact with them, besides contact with customers face to face at the time of sale or at the fairs.

3.5.3.6 QUANTITATIVE ANALYSIS:

Table 22 Quantitative Analysis Association of Small Agricultural Producers of Guasag

ADMINISTRATIVO		FINANCIERO		PRODUCCION		VENTAS Y MARKETING	
Plan estrategico	0	Presupuesto general	0	Producto estrella	5	Material publicitario	0
Objetivos Organizacionales	0	Flujo de caja	0	automatizacion	0	Eslogan logo comercial	0
Principales ventajas	0	Estados de resultados	0	listado de proveedores	0	Promocion del producto	0
Organigrama funcional	0	costo por producto	0	cumplimiento normas ISO	0	Presupuesto para marketing	0
Manuales de procedimientos	0	Garantias	5	Controles de calidad	5	Personas en trabajando en marketing	0
Certificacion	0	Financiamiento	3	Proyectos de mejoramiento	3	Personas en servicio al cliente	0
Experiencia	5	obligaciones tributarias	5	Capacidad de manufactura	0	Procedimientos de atencion al cliente	0
				Asistencia tecnica	5	Medio de contacto con clientes	3
				Productos bajo diseños especificos	0	Buzon de sugerencias	0
				Capacitacion al personal	3	Pagina web	0
				Edad de la maquinaria	0		
				Mantenimiento de la maquinaria	0		
				Proveedor de servicios logísticos	0		
				Conocimiento de embalaje	0		
				Manejo ambiental adecuado	5		
SUMATORIA	5		13		26		3
TOTAL							47

Authors: Nicol Garzón and Christian Lucero

3.5.4 ASSOCIATION OF SMALL AGRICULTURAL PRODUCERS OF GULLANCAY:

3.5.4.1 PROFILE

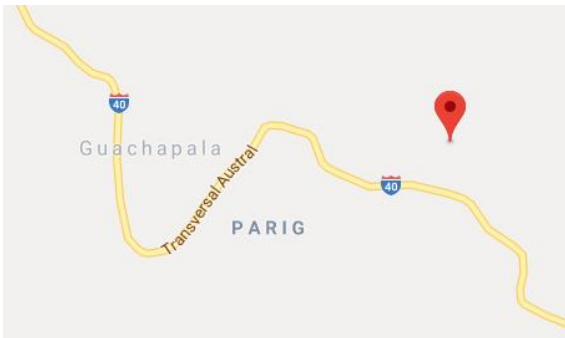
COMPANY NAME	Association of Small Agricultural Producers of Gullancay.
PRODUCT (or range of products)	Fruits and vegetables.
LOCATION	<p>2°46'10" S 78°42'17" W</p> 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	19/09/2017

Figure 49 Profile Association of Small Agricultural Producers of Gullancay

Authors: Nicol Garzón and Christian Lucero

3.5.4.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Association of Small Agricultural Producers of Gullancay is made up of eight producers with four years of experience. Among its objectives are the participation of the association in fairs of peasant family agriculture. This association does not work based on organization charts

or function manuals. As for the advantages and differentiations compared to the rest of the associations, they are not very clear.

All producers work together on their land so there are no job descriptions or procedure manuals. Their production is based on the experience of each producer and the technical assistance given by the engineers working together with the MAG.

3.5.4.3 FINANCIAL AND ACCOUNTING ASPECTS:

The association does not have a RUC number nor RISE, nor does it have a general budget to rely on. It also does not work with income and expense records since these are not very high. The members of this association with the idea of expanding are willing to use resources in a small percentage to be able to co-finance future projects. Currently they work with commercial loans or farmers who depend on the amount for the request for guarantees that, if necessary, the association has real estate as their own land.

3.5.4.4 PRODUCT AND PRODUCTIVE ASPECTS:

Its production is mainly focused on the sustenance of the producers themselves and self-consumption and then local market. Its production is of vegetables and fruit trees, such as: peach, custard apple, grenadilla and avocado among others; however, the production in abundance comes from peach and cherimoya.

Peach production occurs twice a year, 2,200 plants produce about 50 to 60 boxes of peach per week with an approximate price of \$ 25 per box. If they sell all the boxes within a week they can earn around \$ 1200 a week. Among the added value that is given to the peach are sweet peach and peach wine. These products do not have a definite price since they are not products that are constantly on sale by the association.

About the custard apple, it occurs throughout the year with around 2,000 to 2,500 plants. In the production of vegetables, the association produces from highest to lowest so that it does not miss the local market.

3.5.4.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

About sales, the price of fruit and vegetables vary according to the season and the amount of supply that exists from other local producers and from the production that comes from other countries such as Perú.

This association does not have a registered trademark nor promotions. The contact with the customers is in person and at the time of sale at the fairs. The product is marketed locally within the Guachapala canton and at fairs in Paute. The suppliers of agricultural inputs are local and from Paute. These products do not need any type of machinery for their production, nor they have licenses or certifications. Packaging is in boxes until they reach their destination.

Members of the association market their products individually at their own locations and at fairs in Paute. The logistics for the means of transport of the products is done through wood boxes which go directly from the place of harvest to its point of sale.

3.5.4.6 QUANTITATIVE ANALYSIS:

Table 23 Quantitative Analysis Association of Small Agricultural Producers of Gullancay

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statement	0	List of suppliers	5	Product promotion	0
Functional organization chart	3	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	0	Personnel in customer service	0
Experience	3	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	9		11		30		3
							53

Authors: Nicol Garzón and Christian Lucero



Figure 50 Association of Small Agricultural Producers of Gullancay Meeting

Authors: Nicol Garzón and Christian Lucero



Figure 51 Association of Small Agricultural Producers of Gullancay Products
Authors: Nicol Garzón and Christian Lucero

3.5.5 SUSTAINABLE ASSOCIATION OF GUACHAPALA AGRICULTURAL PRODUCERS:

3.5.5.1 PROFILE

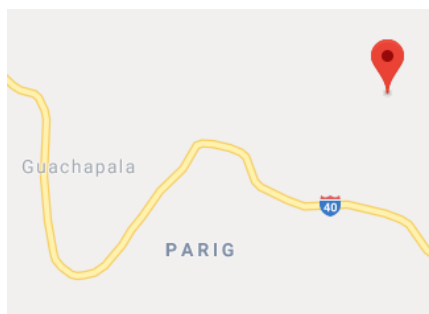
COMPANY NAME	Sustainable Association of Agricultural Producers of Guachapala.
PRODUCT (or range of products)	Tomato greenhouse and organic fertilizer.
LOCATION	<p>2°46'2" S 78°42'17" W</p> 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	19/09/2017

Figure 52 Profile Sustainable Association of Agricultural Producers of Guachapala
Authors: Nicol Garzón and Christian Lucero

3.5.5.2 ADMINISTRATIVE, ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Sustainable Association of Agricultural Producers of Guachapala is a society made up of 8 individual producers with 6 years of experience. Their products are: the greenhouse tomato and organic fertilizer, but, its highest production is concentrated in the greenhouse tomato. The

association does not have defined objectives, nor does it work with organization charts or function manuals. Members do not have defined job descriptions since everyone works on their own land in all areas that are necessary for production.

3.5.5.3 FINANCIAL AND ACCOUNTING ASPECTS:

This association does not have a RUC number nor RISE. It does not work with a general budget. At present they do not have any type of financing nor do they have records of income and expenses. The association is willing to provide part of its own resources to co-finance future projects while currently working with short-term peasant loans for which guarantees are not necessary.

3.5.5.4 PRODUCT AND PRODUCTIVE ASPECTS:

Products of the association are: the greenhouse tomato and organic fertilizer. The greenhouse tomato considered as the star product of the association is grown throughout the year. In order to do not lose production it is cultivated by means of pruning, so that the tomato is given for specific periods of time. Every week they get about 100 boxes of tomato with a weight of approximately 45 pounds. Each box varies in a price between \$ 3 and \$ 20 depending on the time. To produce tomatoes, suppliers of agricultural inputs are local and from Paute.

On the other hand, organic fertilizer is specifically directed to the production and they are tested with all kinds of inputs that works well on the land and is of organic nature. Products do not need any type of machinery for their production and they do not have licenses or certifications.

3.5.5.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

For the sale of the product, the only contact that producers have with their customers is at the fairs. The association nor the product has a registered trademark, nor promotions.

The price of greenhouse tomato varies according to the season and the amount of supply that exists. The price is between \$ 3 and \$ 20 per box and is sold locally in the canton of Guachapala and in fairs in Paute. The greenhouse tomato packaging is in boxes until it reaches its destination.

3.5.5.6 QUANTITATIVE ANALYSIS:

Table 24 Quantitative Analysis Sustainable Association of Agricultural Producers of Guachapala

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING		
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0	
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0	
Main advantages	3	Financial results statement	0	List of suppliers	0	Product promotion	0	
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0	
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0	
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0	
Experience	3	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	0	
				Technical assistance	5	Contact with clients	3	
				Products under specific designs	0	Suggestions mailbox	0	
				Staff training	5	Web page	0	
				Age of machinery	0			
				Maintenance of machinery	0			
				Logistic service provider	0			
				Packaging	0			
				Adequate environmental management	5			
SUMMATION	6		11		30		3	50

Authors: Nicol Garzón and Christian Lucero

3.5.6 COMMUNITY DEVELOPMENT ÑUÑURCO:

3.5.6.1 PROFILE

COMPANY NAME	Community Development Ñuñurco.
PRODUCT (or range de products)	Greenhouse tomato and organic fertilizer.
LOCATION	2°45'26" S 78°40'4" W 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	01/11/2017

Figure 53 Profile Community Development Ñuñurco

Authors: Nicol Garzón and Christian Lucero

3.5.6.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Community Development Ñuñurco Association is a legal entity created in 2014 with the purpose of quinoa planting. They were working together with the Ministry of Agriculture with the intention of exporting, but the project was not successful. This association is currently made up of 11 individual producers with 6 years of experience. This association does not have defined objectives to be achieved. There are not organizational charts or function manuals that indicate how the association works.

3.5.6.3 FINANCIAL AND ACCOUNTING ASPECTS:

The association does not have RUC number nor RISE. It does not have a general budget for the use of the association nor income and expense records. On the other hand, financing is managed with short-term peasant loans which do not need guarantees.

3.5.6.4 PRODUCT AND PRODUCTIVE ASPECTS:

Fruits and vegetables are among its products. Production by its geographical area is seasonal so that they can also grow corn, potatoes, beans, among others. Crops of fruits and vegetables are given approximately every three months and it is not in abundance, since the association focuses mainly on the own supply. The suppliers of agricultural inputs for the crops are local and from Paute. It should also be emphasized that the products do not need any type of machinery for their production, nor do they have licenses or certifications and the packaging is in boxes until they reach their destination.

3.5.6.5 SALES ASPECTS, PROMOTION AND LOGISTICS:

The association does not have a registered trademark nor promotions. The price of fruits and vegetables varies according to the season and the amount of supply that exists as well as on how the customer wants to buy. For example, pounds of vegetables are between \$ 0.50 and \$ 1.00 but the volume of these is not constant. These products are marketed locally and at fairs in Paute. It is transported by means of wood boxes it and goes directly from the greenhouses to its point of sale.

3.5.6.6 QUANTITATIVE ANALYSIS:

Table 25 Quantitative Analysis Community Development Ñuñurco

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statement	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	3	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	6		9		30		3
							48

Authors: Nicol Garzón and Christian Lucero



Figure 54 Community Development Ñuñurco Sing

Authors: Nicol Garzón and Christian Lucero



Figure 55 Community Development Ñuñurco Meeting
Authors: Nicol Garzón and Christian Lucero

3.5.7 SOCIAL AND COMMUNITY DEVELOPMENT ASSOCIATION OF PARIG:

3.5.7.1 PROFILE


COMPANY NAME	Social and Community Development Association of Parig.
PRODUCT (or range of product)	Fruits and vegetables.
LOCATION	<p>2°45'26" S 78°40'4" W</p> 
CONTACT PERSON	Eng. Galo Yupangui (MAG)
TELEPHONE AND REFERENCES	0980500025
INTERVIEW DATE	30/10/2017

Figure 56 Profile Social and Community Development Association of Parig
Authors: Nicol Garzón and Christian Lucero

3.5.7.2 ADMINISTRATIVE ORGANIZATIONAL AND ASSOCIATIVE ASPECTS:

The Social and community development association of Parig is a society made up of eight individual producers. Its products are fruit and vegetables. It is a small association created with the purpose of getting training in a better way with respect to crops. The association doesn't have certain objectives, nor does it have organization charts or function manuals.

3.5.7.3 FINANCIAL AND ACCOUNTING ASPECTS:

The association does not have a RUC number nor a registered RISE. It does not work with a general budget, nor does it have a record of income and expenses. The Association is willing to have its own resources to co-finance future projects. Currently it is working with short-term peasant loans for which guarantees are not necessary.

3.5.7.4 PRODUCT AND PRODUCTIVE ASPECTS:

Fruit and vegetables are produced by seasons. Depending on the season certain fruits and vegetables can grow. Crops are given every three or four months depending on what is being cultivated and their production is not in abundance, there is no fixed volume either. For production, the suppliers of agricultural inputs are local and from Paute, but these are not fixed. Products do not need any type of machinery for their elaboration. It also does not have licenses or procedures certifications and the packaging is in boxes until it reaches its destination.

3.5.7.5 ASPECTS OF SALES, PROMOTION AND LOGISTICS:

The price of fruit and vegetables vary according to the season and the amount of supply that exists. The boxes of fruits can be between \$ 20 but the number boxes are not constant. On the other hand, the price of vegetables per pound, depending on the vegetable, is between \$ 0.50 and \$ 1.50. It is transported by boxes and goes directly from the greenhouses to its point of sale. They are marketed locally within the Guachapala canton and at fairs in Paute. The association does not have a registered trademark or any kind of promotions.

3.5.7.6 QUANTITATIVE ANALYSIS:

Table 26 Quantitative Analysis Social and Community Development Association of Parig

ADMINISTRATIVE		FINANCIAL		PRODUCTION		SALES AND MARKETING	
Strategic plan	0	General budget	0	Flagship product	5	Advertising material	0
Organizational Objectives	0	Cash flow	0	Automation	0	Slogan or commercial logo	0
Main advantages	3	Financial results statement	0	List of suppliers	0	Product promotion	0
Functional organization chart	0	Cost per product	0	ISO standards	0	Budget for marketing	0
Procedure manuals	0	Guarantee	5	Quality controls	5	People in marketing work	0
Certification	0	Financing	3	Improvement projects	5	Personnel in customer service	0
Experience	3	Tax obligations	3	Manufacturing capacity	0	Customer service procedures	0
				Technical assistance	5	Contact with clients	3
				Products under specific designs	0	Suggestions mailbox	0
				Staff training	5	Web page	0
				Age of machinery	0		
				Maintenance of machinery	0		
				Logistic service provider	0		
				Packaging	0		
				Adequate environmental management	5		
SUMMATION	6		11		30		3
							50

Authors: Nicol Garzón and Christian Lucero

GUACHAPALA FAIR:



Figure 57 Guachapala Fair
Authors: Nicol Garzón and Christian Lucero

3.6 CONCLUSIONS AND RECOMMENDATIONS:

When developing the administrative, financial, productive and sales aspects of the producers and associations of both Paute and Guachapala, except for the company Mestiza, it was possible to identify that both the producers and the associations are lacking important elements in each one of the work areas. For example, in the administrative area it is very important to have a plan that defines a direction to what production means. As well as the means of action established to be taken according to certain circumstances. In the same way regarding the financial area, a budget, either monthly or yearly. Addition income and expenses reports are of vital importance to know in what conditions the company or business is located. Based on that, they could perform certain activities, whether they be investments or payments.

Within the productive area it was found that most producers and associations have a product or several products which represent their highest income. However, it was found that they do not have a high degree of automation in each of them. Their production does not have any type of added value, so they can work on that aspect and make products derived from each product. Their harvest would also represent greater profits and greater consolidation within the market.

Finally, in the area of marketing and sales it was possible to identify that both producers and associations do not have means to publicize their different products. In the same way they have contact with their customers only in a personal way. Advertising and getting in contact with the client are done through fairs held at the cantons, and in many cases these fairs are organized by the Ministry of Agriculture. It is necessary to strengthen associations or create

larger associations with specific objectives and also to start using tools such as the internet, as this can reach a greater number of people, both for advertising, and for contact with customers to provide a more personalized service.

In the case of the company Mestiza, being a company that already exports both to Peru and Chile, it complies mostly with all the parameters. However, in order to improve itself as a company and get a better position in the market it should start to work in obtaining different certifications that guarantee its quality, as is the case of ISO standards.

CHAPTER 4: DIAGNOSIS OF THE EXPORT OFFER OF PAUTE AND GUACHAPALA.

4.1 INTRODUCTION AND METHODOLOGY:

In this chapter, an analysis of each organization will be carried out based on the information previously discussed in chapter 3. This analysis will take as a basis the results of the export potential tests and the rating charts. After taking into account the qualifications of each organization, a SWOT analysis (Strengths, Opportunities, Weaknesses, Threats), a crossed SWOT, in which tables of confrontation matrix will be used. Here the impact of strengths and weaknesses on opportunities and threats will be analyzed. The analysis of the impacts will be done through ratings where: 0 represents zero impact, 1 low impact, 5 medium impact and 10 high impact. Finally, a CAME analysis (Correct, Adapt, Maintaining, Exploiting) of each of them will be carried out, this with the purpose of identifying positive (SO) and negative (WT) aspects of the different organizations.

The methodology that will be used for the SWOT analysis will be to identify internal aspects of the organizations that are Strengths and Weaknesses, and external aspects that are Opportunities and Threats. Likewise, in the analysis of the crossed SWOT, strengths will be tied to opportunities, and the weaknesses to threats to determine the real situation in which the organization is located. This will be done in order to set a precedent that will serve the different organizations to consider strategies to correct what is wrong and strengthen what is good. Finally, an analysis of strategies will be carried out in order to correct the weaknesses, face threats, maintain the strengths and exploit the opportunities that were previously identified in the SWOT analysis.

4.2 SWOT MATRIX:

The SWOT analysis is an analysis tool that focuses on studying the strengths, opportunities, weaknesses and threats that a company has or can have to create strategic planning. This matrix was created by Albert S. Humphrey in the 60s and 70s at the Stanford Research Institute with the aim of finding a solution to the constant failures of long-term corporate planning. According to Albert Humphrey, "the SWOT analysis emerged from research conducted by the Stanford Research Institute between 1960 and 1970. Its origins are born of the need to discover why corporate planning fails. The research was funded by the Fortune 500 companies" (Jiménez, 2010).

"The strategic analysis of the situation "is one of the main steps for generating strategies in organizations. A useful tool for this is the "SWOT Analysis" that allows, with the analysis of the environment, to identify the opportunities that the company could take advantage of; as well as the threats that will have to face. With the internal analysis (diagnosis), the company can identify the strengths in which can rely on, to take advantage of the opportunities and neutralize the negative impact of the threats; as well as the weaknesses that must be overcome, to achieve superior performance and results. In order to be effective, the internal analysis must be carried out on the present (the situation we have "now"), while the "analysis of the environment" should be carried out in the future for which the strategy is projected" (Jiménez, 2010).

The use of the SWOT matrix is fundamental for the current analysis of the company or association. With the help of this analysis a strategy can be developed that can be solid in the future. The approach improves because of the analysis made. A better competitiveness can be directed straight to market niches taking advantage of the opportunities that arise.

Before starting with the respective analysis of each association and the individual producers of both Paute and Guachapala, it is necessary to mention that in both cantons it was possible to identify that one of the issues affecting everyone in general, is product coming from Peru. In the case of associations and individual producers of both greenhouse tomatoes and fruit trees. The problem affects them directly because the product that enters is cheaper than the Ecuadorian product. Also, this product brings diseases and pests that attack and harm the Ecuadorian product.

In the case of the producers of plants, as previously mentioned the issue arises when the foreign product brings pests into Ecuadorian territory, which attack the production of plants. For all of this, it has been necessary to propose a general strategy. It consists of the creation of an action plan, which objectives to be integrated in relation to production. Production control dates should be established to help to mitigate the problems of pests and the entry of the cheapest product from Peru.

4.3 SWOT AND CROSS SWOT ANALYSIS OF PAUTE PRODUCERS AND ASSOCIATIONS:

4.3.1 PRODUCER ENG. GALO YUPANGUI:

4.3.1.1 SWOT ANALYSIS:

STRENGTHS:

1. It performs continuous quality controls of its production of tomato and productive land.
2. It executes projects to improve production, to increase yield and reduce costs.
3. There is an appropriate environmental management without the use of pesticides.
4. It has guarantees as its real estate to access financial credits.

WEAKNESSES:

1. It does not have any type of action plan which helps to counteract the damages and threats.
2. It does not have records of income and expenses.
3. The automation of its plant is low because the tomato is a product that does not need a high degree of technology.
4. It does not have advertising material to promote its product.

OPPORTUNITIES:

1. Credits are accessible by financial institutions such as BAN Ecuador.
2. Tomato is a food for mass consumption.
3. There is a possibility of associating with other tomato producers to be more competitive in the market.
4. Products derived from tomato.

THREATS:

1. The entry of new tomato producers into the market represents a threat.
2. The entry of different products from Peru, including tomato, which at the same time enters with different pests and diseases that attack production.
3. The variation in tomato prices, throughout the year, depending on the demand and supply that exists.
4. The constant change of climate, which affects tomato production.

4.3.1.2 CROSS SWOT:

Table 27 Confrontation Matrix Eng. Galo Yupangui

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	10	5	0	5	20	1	1	0	0	2	28
		S2	10	5	1	10	26	1	1	0	0	2	28
		S3	10	0	0	10	20	0	0	0	0	0	20
		S4	0	10	0	0	10	0	0	0	0	0	10
		Σ	30	20	1	25		2	2	0	0	4	
	WEAKNESSES	W1	10	1	1	10	22	5	10	5	10	30	52
		W2	0	5	0	0	5	0	0	10	1	11	16
		W3	1	0	0	10	11	0	0	0	5	5	16
		W4	0	0	0	1	1	5	1	0	0	6	7
		Σ	11	6	1	21		10	11	15	16	52	
	TOTAL		41	26	2	46		12	13	15	16	56	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Engineer Galo Yupangui, a MAG technician, has extensive knowledge regarding the technical assistance that this institution provides. This is why, as an individual producer of tomato he can provide quality control, improvement of projects and technical assistance. His inputs to its production are continuous, which generates an extra plus in the tomato provided, taking into account that the tomato is a product of mass consumption. He is up to date in tax obligations, he also owns a productive land that can serve as guarantee. It facilitates access to financial credits from different institutions, besides the accessibility of credits provided by institutions such as BAN Ecuador and the Jardín Azuayo. Similarly, being in a sector where there are many producers who are dedicated to the same activities, the opportunity to enter into a partnership with them and increase their production is very feasible.

LIMITATIONS (WT)

By not having a guided plan nor a degree of low plant automation, the situations that can occur such as climatic factors or pests attacking the production, can be a problem. It is necessary to have a strategic plan in to integrate action plans and implement a degree of automation in the plant in case one of these situations might occur. In the same way, a strategic plan is of utmost importance to be able to handle in a good way fluctuations in prices that exist in the market. The entry of new competitors and likewise the existing ones always represent a threat, so it is always necessary to advertise the product that is offered. Emphasizing that it differs from its competitors to create preference on the buyer's side. Likewise, advertising can serve to differentiate product from the one that enters from Peru. Providers of logistics services are another key point to be differentiated and therefore create a preference in the buyers. As the tomato market price fluctuations are constant, not having a general budget and records of cash flows can be very harmful to the company in the financial aspect. It is of the utmost importance to always have updated records.

4.3.1.3 ANALYSIS OF STRATEGIES:

Working along with the MAG, it is crucial to Yupangui to maintain and improve quality controls. In the same way, in order to differentiate from the rest of the producers of tomato and likewise increase the production of tomato derivatives, the improvement of projects at production are maintained through his technical assistance. A strategy that should be handled by the tomato producers is to form an association between them and create future projects. First it might be the creation of a tomato collection center to later produce products derived from it as a sauce of tomato, tomato paste, etc. To achieve this, it is necessary that once the association is created, administration is also organized. Likewise, when the association is organized, the functions of the association for each member.

4.3.2 PRODUCER MS. YOLANDA ABAD:

4.3.2.1 SWOT ANALYSIS:

STRENGTHS:

1. Product differs from its competition in the market by not using pesticides or any type of chemical in its production.
2. It owns real estate, such as its production land, as a guarantee for financial credits.
3. Technical assistance from MAG engineers, as well as from its suppliers.
4. Perform constant quality controls on tomato production and productive land.

WEAKNESSES:

1. It does not count on a plan to deal with in case of damages or threats.
2. Lack of a general budget either monthly or annually.
3. Low automation of its plant since the production of tomato does not need more technology.
4. Lack of advertising to promote its product.

OPPORTUNITIES:

1. Being a tomato producer, it has the opportunity to access loans or micro-credits from financial institutions.
2. Greater possibility of sale as tomato is a food of massive consumption.
3. Elaboration of products derived from tomato.
4. Since there is a large number of tomato producers in the Bulan area, there is the opportunity to associate with them.

THREATS:

1. The entry of new producers of tomatoes, substitutes
2. New pests and diseases from Peru.
3. A constant change in the price of tomatoes throughout the year.
4. Factors and constant climatic changes that affect productive land and production in general.

4.3.2.2 CROSS SWOT:

Table 28 Confrontation Matrix Mrs. Yolanda Abad

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES					Σ	THREATS				
			O1	O2	O3	O4			T1	T2	T3	T4	
INTERNAL FACTORS	STRENGTHS	S1	0	1	5	0	6	5	10	0	0	15	10
		S2	10	0	0	0	10	0	0	0	0	0	10
		S3	0	5	5	0	10	5	10	0	0	15	25
		S4	0	10	5	0	15	5	10	0	0	15	30
		Σ	10	16	15	0		15	30	0	0	45	
	WEAKNESSES	W1	0	5	10	0	15	10	10	1	10	31	46
		W2	1	0	1	0	2	1	1	5	1	8	10
		W3	0	1	5	0	6	1	5	0	1	7	13
		W4	0	5	0	0	5	5	0	0	0	5	10
		Σ	1	11	16	0		17	16	6	12	51	
	TOTAL		11	27	31	0		32	46	6	12	96	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Technical assistance, constant quality controls in the production and non-use of chemical products in the production process, make a difference with the rest of the product that exists in the market. It can be used to increase the production since the tomato is a food of mass consumption. Similarly, having credits from financial institutions, being up-to-date in tax obligations and owning real estate as collateral for loans, make credit opportunities for financial institutions greater. Being located in the parish of Bulán, an area that has a large number of tomato producers, offers the opportunity to be able to associate with the rest of the producers and thus generate greater production and the possibility of financing projects that can facilitate the growth of the production.

LIMITATIONS (WT)

Not having a plan where long-term and short-term objective are established, and above all not relying on an action plan to establish a course of action, can be very harmful. It was also taken into account that the threats posed by the market such as Peru's cheapest products, pests that are affecting more and more plots of the product, and the constant climate change that exists in the area. Another factor is being in a market where the fluctuation of prices occurs constantly. Not having a general budget either annual or monthly is another factor. Records of income and expenditure in which to raise values for investments and to expenses, as well as reports of how much has been sold and how much has been lost are vital, since, by not counting on any of this, the financial situation can be unstable. Likewise, not having advertising material where the advantages of the product are referenced is detrimental. The entry of new competitors that do advertise would trap the consumers.

4.3.2.3 ANALYSIS OF STRATEGIES:

Yolanda as a tomato producer, might foresee necessary to form an association between tomato producers to generate future projects; such as tomato collection centers, as well as to produce products derived from it; such as tomato sauce, tomato paste, etc. This would give each of the members greater presence in the market and therefore greater profits while

production will be diversified. For this, it is necessary to create an administrative team and establish functions for each member.

4.3.3 GROWER MR. JUAN ABAD:

4.3.3.1 SWOT ANALYSIS:

STRENGTHS:

1. Constant quality controls, both in its production and in its productive land.
2. Improve projects in a constant manner, in order to increase performance and reduce costs.
3. Technical assistance, both from the engineers of MAG, as well as from its suppliers of inputs.
4. Maintains optimal environmental management in its production process.

WEAKNESSES:

1. Lack of a plan of action in case there are problems or threats.
2. It does not have a general budget either monthly or annually.
3. The degree of automation of the plant is low because the production of tomato does not need more technification.
4. It does not have advertising material to promote their products nor show their uniqueness.

OPPORTUNITIES:

1. Credit opportunities from financial institutions such as BAN Ecuador and Jardín Azuayo.
2. The tomato is a food for mass consumption.
3. Elaboration of products derived from tomato such as the tomato room, tomato paste, etc.
4. The area of Bulán is made up of several tomato producers, which is why it presents the opportunity to join forces as an association.

THREATS:

1. The entry of new tomato producers.
2. New types of pests from Peru and attacking the product.
3. Price changes that occur in the tomato throughout the year and depending on the season.
4. Constant climate changes that occur in the area, which hinders the production of tomatoes.

4.3.3.2 CROSS SWOT:

Table 29 Confrontation Matrix Mr. Juan Abad

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	0	10	5	0	15	5	10	0	0	15	30
		S2	0	10	5	0	15	5	5	0	0	10	25
		S3	0	5	1	0	6	0	1	0	1	2	8
		S4	0	10	5	0	15	0	10	0	0	10	25
		Σ	0	35	16	0		10	26	0	1	37	
	WEAKNESSES	W1	0	5	5	0	10	10	10	1	10	31	41
		W2	1	0	1	0	2	1	1	5	1	8	10
		W3	0	1	5	0	6	1	5	0	1	7	13
		W4	0	5	0	0	5	5	0	0	0	5	10
		Σ	1	11	11	0		17	16	6	12	51	
	TOTAL		1	46	27	0		27	42	6	13	88	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Having an adequate environmental management of the product, performing constant quality controls, executing projects to improve production, have technical assistance and more than 10 years of experience, makes production processes a factor of differentiation with respect to the rest of competitors. It represents a plus in a market where the tomato is a food for mass consumption, and from which other types of products with a greater added value are derived. In the same way, having financial credits and a mortgage as a guarantee, creates a greater opportunity of financial credits with a greater number of financial entities.

LIMITATIONS (WT)

The lack of established objectives and action plans in case of situations that affect production, such as the threats that currently attack the tomato market, the entry of cheaper products from Peru, pests coming along with foreign products and the constant climatic change factors that the zone presents, can be very detrimental and in cases the whole of production can be lost. For this reason, the incorporation of a strategic plan is of vital importance to face these problems. Setting long and short-term objectives are important to reach an expected horizon, where a product of mass consumption can be supplied. Likewise, it is crucial to consider budgets and make constant records of income and expenses in order to be able to act efficiently within a market in which price fluctuations occur constantly. It is worth mentioning that by not having advertising material that discloses the advantages of the product, it competes in disadvantage against the rest of the competitors, who adopt advertising as an essential part to sell product.

4.3.3.3 ANALYSIS OF STRATEGIES:

It is beneficial for Mr. Abad, a tomato grower, to organize an association between tomato growers, as has been previously established. Also, generate projects such as forming collection centers and producing tomato products are viable projects. For this, it is necessary to create an administration force and establish functions to the members. In the case of Mr. Abad, it is necessary to establish long and short-term objectives, in order to set a point at which he expects

to arrive. A general budget is essential, either monthly or annually. Keep records of income and expenses from time to time and establish financial measures to face price variations that exist in the market. Maintaining and improving quality controls and improvement projects through technical assistance is essential to improve tomato production.

4.3.4 GROWER MR. TOMAS DELGADO:

4.3.4.1 SWOT ANALYSIS:

STRENGTHS:

1. Experience of 25 years in the production of fruit trees.
2. Up to date with tax obligations.
3. Proper management regarding production and care of the environment.
4. Holds a loan with Jardín Azuayo for fruit production.

WEAKNESSES:

1. Lack of an action plan to base its decisions.
2. Does not have advertising material through which to promote its production.
3. Very little technical assistance, which has not allowed it to carry out improvement projects.
4. Low degree of automation of its productive land.

OPPORTUNITIES:

1. Credit opportunity with financial institutions.
2. The peach and the apple are a food for mass consumption.
3. Elaborate products derived from peach and apple.
4. The opportunity to be able to associate with the different fruit producers that exist in the canton.

THREATS:

1. Admission of new producers in the market.
2. New pests attacking production from Peru.
3. Variations in the prices of fruits during the year.
4. Constant climate changes affecting the production of peach and apple.

4.3.4.2 CROSS SWOT:

Table 30 Confrontation Matrix Mr. Tomás Delgado

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	0	1	5	0	6	5	10	0	0	15	21
		S2	10	0	0	1	11	5	5	0	0	10	21
		S3	0	10	5	0	15	0	1	0	1	2	17
		S4	10	0	0	0	10	0	10	0	0	10	20
		Σ	20	11	10	1		10	26	0	1	37	
	WEAKNESSES	W1	1	0	0	1	2	10	10	1	10	31	33
		W2	0	0	5	0	5	1	1	5	1	8	13
		W3	0	10	5	0	15	1	5	0	1	7	22
		W4	0	10	5	1	16	5	0	0	0	5	21
		Σ	1	20	15	2		17	16	6	12	51	
	TOTAL		21	31	25	3		27	42	6	13	88	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Delgado has 25 years of experience in the production of fruit trees. He manages adequately production with the environment and not cause discomfort to the surrounding areas. Product can take advantage of this type of aspect to compete in a market where fruits are a food for mass consumption. Also, having a loan with the Jardín Azuayo and being up-to-date on all tax obligations, brings the opportunity to access financial loans from a greater number of financial entities to finance projects that help production growth.

LIMITATIONS (WT)

The threats of pests that attack the product and the entry of product from Peru at a lower price are factors that affect the stability of the business, so an action plan is always necessary. In the same way, by not having short- and long-term objectives, the business does not have a specific point to be reached, so that a degree of instability can occur. When there are constant fluctuations in the fruit market prices, it is necessary to have a general budget. It can provide details about what to do in order to give financial stability to the business in the face of these fluctuations. Having a detailed record of income and expenses is also vital, because this can get a broader and more general idea of the economic situation of the company. Due to the low automation of the plant and the little technical assistance, crops can be lost in their entirety when pests attack the product. In the same way, the entry of new competitors to the market represents another problem, since by not having advertising material that highlights the differences of the product and personnel in charge of customer service, buyers prefer the competition.

4.3.4.3 ANALYSIS OF STRATEGIES:

There must be a plan in which measures are adopted to face the entrance of new competitors to the market. The business should establish long and short-term goals, budgets whether monthly or annual and records of income and expenses. In the same way, a greater technical assistance should be implemented for the production and incorporate personnel for the attention and customer service. Maintain responsible management of the environment, and not cause

discomfort to the surrounding areas. Maintain financial credits as well as work with a view to the possibility of associating with other producers in the area and take advantage of the fact that the tomato is of mass consumption.

4.3.5 GROWER MR. CARLOS DELGADO:

4.3.5.1 SWOT ANALYSIS:

STRENGTHS:

1. Up to date with tax obligations.
2. Constantly improves projects, both in its production and in its productive lands.
3. The promotion of the product is done through fairs.
4. Productive processes are carried out with an adequate management of the environment.

WEAKNESSES:

1. It does not have a plan of action to establish measures to be taken in situations of prejudice.
2. Little technical assistance from MAG engineers.
3. Because the production of fruits does not need more technological inputs, the automation of the productive land is low.
4. It does not have advertising material to promote the product, the promotion of it is done through fairs.

OPPORTUNITIES:

1. Financial entities such as BAN Ecuador and Jardín Azuayo provide credit opportunities for production, which are easily accessible.
2. Fruits such as peach and apple are a food of mass consumption and from which derivative products can be obtained.
3. Elaborate products derived from peach and apple.
4. When there is a large number of tomato producers, there is the opportunity to associate with them to have a greater presence in the market.

THREATS:

1. Market entry of new fruit producers
2. New pests that attack production and productive land.
3. Variations in the prices of fruits depending on the season of the year.
4. Changes and climatic factors that occur in the area which affects production.

4.3.5.2 CROSS SWOT

Table 31 Confrontation Matrix Mr. Carlos Delgado

MATRIZ CONFRONTACIÓN			FACTORES EXTERNOS										
			OPORTUNIDADES				Σ	AMENAZAS				Σ	TOTAL
			O1	O2	O3	O4		A1	A2	A3	A4		
FACTORES INTERNOS	FORTALEZAS	F1	10	0	0	0	10	0	0	0	0	0	10
		F2	0	10	5	0	15	5	10	0	0	15	30
		F3	0	5	5	1	11	10	0	0	1	11	22
		F4	0	10	5	0	15	5	10	0	0	15	30
		Σ	10	25	15	1		20	20	0	1	41	
	DEBILIDADES	D1	0	5	5	0	10	0	0	0	0	0	10
		D2	0	10	5	0	15	5	0	5	0	10	25
		D3	0	5	5	0	10	5	0	0	0	5	15
		D4	0	0	5	0	5	1	0	0	0	1	6
		Σ	0	20	20	0		11	0	5	0	16	
		TOTAL	10	45	35	1		31	20	5	1	57	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Executing projects for continuous improvement in production, complying with the appropriate environmental management and promoting the product through fairs. The opportunity offered by the tomato market is an advantage since this is a food for mass consumption. Likewise, being up-to-date in complying with tax obligations represents a great help to access financial credit from institutions such as BAN Ecuador and Jardín Azuayo.

LIMITATIONS (WT)

Not having an action plan creates difficulties to deal with a cheaper product coming from Peru. Similarly, by not having a general budget or records of income and expenses, repercussions in the financial field may arise since having constant fluctuations in the market generates an imbalance in the finances of the company. Faced the threat of pests that attack the product, having low plant automation, little technical assistance and not having financial credits, is detrimental. Without proper management and care of production, this can be affected in its totality by the plagues that exist and by the constant climatic changes that exist in the area. In the same way, given the current competition and the increasing entry of new producers, the non-handling of advertising material and the lack of personnel in charge of customer service, give negative results since the consumer has no way of recognizing the product.

4.3.5.3 ANALYSIS OF STRATEGIES:

The business should stablish objectives and sett proper goals to reach the fruit market. In the same way, these objectives must involve projects for the creation of products derived from fruits. They represent the highest income and sales; in this case they are peach and apple. Advertising material in which to establish the differences of the product from its competitors.

4.3.6 PRODUCER MR. RENE BARRERA:

4.3.6.1 SWOT ANALYSIS:

STRENGTHS:

1. Clear differences of the product with respect to the competition.
2. Long-term fruit production objectives.
3. Schedules with activities related to fruit production.
4. More than 10 years of experience in the production of fruit trees.

WEAKNESSES:

1. Lack of a plan of measures to be taken in cases of issues at production.
2. Low automation of its productive land because fruits, such as peach and apple, do not require more technology.
3. Executes few improvement projects in production.
4. No slogan or commercial logo by which customers can recognize its product.

OPPORTUNITIES:

1. Accessible credit opportunity for individual producers by financial institutions
2. Fruits, such as peach and apple, are a food of mass consumption.
3. Elaborate products derived from peach and apple.
4. With more fruit producers, there is the opportunity to associate with them to be able to access in larger markets and with a greater presence.

THREATS:

1. Entrance of new fruit producers.
2. New types of pests that attack production.
3. Prices of fruits vary according to the season and the supply and demand that is in the market.
4. A constant climate changes.

4.3.6.2 CROSS SWOT:

Table 32 Confrontation Matrix Mr. Rene Barrera

MATRIZ CONFRONTACIÓN			FACTORES EXTERNOS										
			OPORTUNIDADES				Σ	AMENAZAS				Σ	TOTAL
			O1	O2	O3	O4		A1	A2	A3	A4		
FACTORES INTERNOS	FORTALEZAS	F1	0	1	5	0	6	0	0	0	0	0	6
		F2	0	5	5	0	10	5	10	0	0	15	25
		F3	0	5	5	0	10	10	0	5	1	16	26
		F4	0	1	10	0	11	5	10	0	0	15	26
		Σ	0	12	25	0		20	20	0	1	41	
	DEBILIDADES	D1	0	5	5	0	10	0	0	0	0	0	10
		D2	0	1	5	0	6	5	0	5	0	10	16
		D3	0	10	5	0	15	5	0	0	0	5	20
		D4	0	0	0	0	0	1	0	0	0	1	1
		Σ	0	16	15	0		11	0	5	0	16	
		TOTAL	0	28	40	0		31	20	5	1	57	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Having clear differences from the rest of producers generates a plus in the product. It is reflected in the opportunities of the tomato market, a product of mass consumption. Similarly, credit opportunities with financial institutions are greater if long-term objectives are presented to be achieved with respect to production. Having chronograms of activities established with dates is of vital importance, since this establishes a parameter and an order to follow, which at the end will be reflected in the product. Another opportunity is to be able to associate with other producers in the Bulán parish, which, being an area where tomato production predominates, it can execute projects to bring producers to contribute their knowledge achieved in the years of experience to increase production.

LIMITATIONS (WT)

One of the weaknesses that arises is that, not having an action plan, the events that occur within the market are very difficult to cope with; such as the entry of a cheaper product from Peru and pests that attack the market. Without an action plan it is very difficult to overcome these issues that might generate huge losses. Likewise, having a general plan and updated records of income and expenses are of vital importance in order to maintain a stable financial situation. Also, provide constant price fluctuations in the market that may cause instability. Having few quality controls, low automation of the plant and a few improvement projects is very difficult to face market problems such as pests and climate changes. This is because, having no knowledge, tools and projects focused on eradicating this type of problems, production will be affected constantly. In the same way, before the entry of new competitors, not having a slogan and a commercial logo, and not having a budget for promotion and customer service, is detrimental to the business.

4.3.6.3 ANALYSIS OF STRATEGIES:

The business should establish objectives to reach its goals, along with the idea of responding to the different situations that may arise without deviating from a desired end. This must be accompanied by quality controls and improved projects that can help improve the quality of production and counter the threats of the sector. The long-term objectives should be maintained, and other short-term objectives should be included. Activity and investment schedules should be included as well as the differences between the product. Competition should be highlighted.

4.3.7 PLANT NURSERY PLANTAS & PLANTAS:

4.3.7.1 SWOT ANALYSIS:

STRENGTHS:

1. Clear differences in its products regarding to the rest of the market.
2. Commercial logo by which customers can recognize its product.
3. Promotion of the product is done through social networks.
4. It has three technicians, two agronomists and one environmental engineer, who are in charge of the quality controls and the technical assistance of its production.

WEAKNESSES:

1. Lack of an action plan to base its decisions.
2. Low automation of its production plant.
3. Lack of a budget for marketing and sales.
4. It does not have a web page to promote the product.

OPPORTUNITIES:

1. Opportunity to access more credits with financial institutions.
2. Opportunity to associate with other plant producers.
3. Possibility of creating a forest operator.
4. Offer more types of plants.

THREATS:

1. Entry of new competitors within the market.
2. New types of pests that attack the product.
3. Variations in prices depending on the season and supply and demand.
4. The constant change and climatic factors that influence production.

4.3.7.2 CROSS SWOT:

Table 33 Confrontation Matrix Plantas & Plantas

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	0	1	0	10	11	10	5	0	0	15	26
		S2	0	1	5	0	6	5	0	0	0	5	11
		S3	0	0	1	0	1	5	0	0	0	5	6
		S4	0	1	10	10	21	10	10	0	1	21	42
		Σ	0	3	16	20		30	15	0	1	46	
	WEAKNESSES	W1	1	1	10	10	22	5	5	1	1	12	34
		W2	0	1	10	10	21	1	0	0	0	1	22
		W3	0	0	1	1	2	1	0	0	0	1	3
		W4	0	0	0	1	1	0	0	0	0	0	1
		Σ	1	2	21	22		7	5	1	1	14	
	TOTAL		1	5	37	42		37	20	1	2	60	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

By having a year objective and a budget to the fulfillment of it, the company will have a course to follow. It will help the company's growth at the national level and its respective consolidation. Likewise, guiding oneself through activity schedules helps to reach the objectives. In the financial aspect, having a budget with records from every six months of income and expenses gives a general idea to know in what state the company is in the financial field. It will help to make decisions in order to take advantage of the opportunities. Keeping a direct contact with customers through the internet, combined with the promotion of the product through social networks; such as Facebook and having a commercial logo, make it easier for customers to reach customers. Thanks to the internet, in the same way, a differentiation of the brand might be created with respect to the other competitors in the market. Being in a large sector such as the plant market, rises the opportunity to be able to associate with more producers in the same sector to consolidate and have more strength. Thus, be able to consolidate the creation of a forest operator, generating a greater presence into the market.

LIMITATIONS (WT)

The creation of an action plan helps achieve the established objectives more efficiently and quickly. In contrast, not having a plan can present delays and confusion in the process of

meeting the objectives. Not having manuals of procedure and having a low automation can be harmful when plagues attack production or due to climatic reasons this is damaged as a whole or in part. So, it is always necessary to have manuals that can help to mitigate the damages and in the same way a plant automation that contributes to this end. As this market is a market in which price fluctuations are constantly occurring, it is necessary to have records that can help us determine the situation of the company and what actions to be taken. Despite the fact that the company has a direct contact with its customers through the internet, not having a website is a disadvantage. Through a website the company can get in contact with more customers. Likewise, not having marketing budgets and personnel in charge of them make contact with customers difficult.

4.3.7.3 ANALYSIS OF POSSIBLE STRATEGIES:

Establish a strategic plan in which records of the company's income statement are incorporated. Also, add a budget for marketing and staff that rely on. Incorporate a manual of procedures to establish and explain the different production processes, and the creation of a web page for better contact with customers. Within the same plan, incorporate actions to be taken to mitigate the threats of the sector, such as climatic factors and price fluctuations. Also, maintaining a budget and the objectives established each year, activity schedules that, investments, cash flow records every 6 months, and in particular, contact with customers through social networks.

4.3.8 MESTIZA:

4.3.8.1 SWOT ANALYSIS:

STRENGTHS:

1. Clear differences of its products with the rest of the products.
2. A web page in which the company and its products are presented.
3. It has an average plant automation as the manufacture of its products requires a certain degree of technology.
4. Improvement projects are constantly being executed through assistance.

WEAKNESSES:

1. It does not have a strategic plan within which the productive, administrative, financial, marketing and sales areas are involved.
2. No ISO quality standards certifications.
3. It does not have personnel that exclusively handle the marketing issue.
4. Existing competitors from both Peru and Chile.

OPPORTUNITIES:

1. Opportunity to access credit from financial institutions.
2. Opportunity to enter to the Colombian market due to the geographical proximity location.
3. By already having points of sale in the Peruvian and Chilean market, and soon in the Colombian market, there is an opportunity for the company to grow and consolidate at the whole South American level.
4. Make sales through online orders.

THREATS:

1. Entry of new competitors in the market.
2. Tariffs applied in different countries.
3. Logistics to each of the countries as problems may arise.

4. Policies in general from the different countries.

4.3.8.2 CROSS SWOT:

Table 34 Confrontation Matrix Mestiza

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	0	10	10	5	25	10	0	0	0	10	35
		S2	0	10	10	10	30	10	0	0	0	10	40
		S3	0	5	0	0	5	5	0	1	0	6	11
		S4	0	1	1	0	2	10	0	1	0	11	13
		Σ	0	26	21	15		35	0	2	0	37	
	WEAKNESSES	W1	0	5	1	0	6	1	0	1	0	2	8
		W2	0	5	0	0	5	10	0	0	1	11	16
		W3	0	1	1	1	3	1	0	0	0	1	4
		W4	0	5	1	0	6	10	0	0	0	10	16
		Σ	0	16	3	1		22	0	1	1	24	
	TOTAL		0	42	24	16		57	0	3	1	61	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Mestiza is a company that is consolidated in many areas and it possesses stability in all its areas of work. It has a mission and vision which establishes what it wants to be and what it wants to achieve. By having detailed short and long-term objectives, combined with activity schedules with dates and investments, they provide a greater development within the company where all the areas come together to achieve the objectives set. In the same way, having budgets established at the beginning of the month and year gives financial stability to the company so that it can continue operating without leaving the economic margins already raised. This is reflected in monthly and annual records of the company. Regarding to income and expenses, they ultimately serve as a determining factor to analyze the operations and performance.

Having an average automation plant means that the company's responses to requests for increased production are given efficiently. Without presenting delays or errors, giving the company a plus and serving as a point of differentiation from its competitors. All these, added to the extensive contact that the company has with its customers, using media such as Facebook and Instagram, as well as through its website. Personnel that are exclusively responsible for the management and the aforementioned social network. Being able to finance themselves directly from their investors, and the customer service provided by the company have managed to consolidate the company within the national market and expand it to markets such as Peru and Chile where it begins to have a greater presence. As a consequence, the opportunity to enter a new market such as the Colombian and, likewise, have the opportunity to consolidate the brand at the South American level.

LIMITATIONS (WT)

Although it is a company that handles most of its areas in a very efficient way, the lack of a strategic plan can sometimes present certain difficulties. The creation of one is of vital importance so that it can complement the objectives established in the short and long term and thus establish an action plan that improves all areas of the company. Compliance with ISO

standards, likewise, is a negative point, since having one of these certifications gives an extra bonus of differentiation to the company with respect to its competence. It is even more necessary if the company is unwrapped in large markets such as Peru and Chile, and in the future the Colombian and the South American in general.

Within the financial area it is necessary that all areas are covered for a greater economic efficiency, which it is why as the company grows, balance point records are important to know how much the company actually earns per product. The constant changes of policies at the level of the South American countries represent a threat for the company, since taxes and tariffs in general can vary and harm the company in countries like Peru, Chile and Colombia. Peru and Colombia as neighboring countries do not represent a major problem in terms of logistics but it should create a logistics plan which results efficiently to enter the other markets of South America.

4.3.8.3 ANALYSIS OF STRATEGIES

Incorporate a strategic plan in which it contains analysis records of the equilibrium point of each product. Work to acquire an ISO compliance certificate, and incorporate personnel dedicated to the marketing area. Establish action plans to face the new competitors of the national market and the competitors from the markets of Peru and Chile. Problems that may arise in the logistics issue are the tariffs imposed by each country's policies. Likewise maintain budgets, cash flow records, activity schedules, technical assistance, improvement projects, quality controls, established objectives, financing with investors, promotion of products through social networks, the service and customer service.

4.3.9 PLANT NURSERY FLOWERS GARDEN:

4.3.9.1 SWOT ANALYSIS:

STRENGTHS:

1. A variety of plants for sale.
2. Clear differences of its product with the rest of the market.
3. Productive practices friendly to the environment.
4. Perform constant quality controls on production.

WEAKNESSES:

1. Lack of an action plan that involves measures to be taken in case of problems in the business.
2. It does not have any type of certifications endorsed by authorized entities.
3. It does not have fixed suppliers of supplies necessary for production.
4. It does not have a personalized attention to the client.

OPPORTUNITIES:

1. Participation in local fairs and fairs in the city of Cuenca.
2. Accessibility to financial credits for financing production.
3. Extend production to markets outside the Paute canton.
4. Work with more variation of plants.

THREATS:

1. The growing income of new types of pests.
2. The constant climatic changes in the area.
3. The entry of new competition in the market.
4. Price instability that exists within the market.

4.3.9.2 CROSS SWOT:

Table 35 Confrontation Matrix Plant Nursery Flowers Garden

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	0	10	10	21	5	0	10	0	15	36
		S2	10	0	10	0	20	5	0	10	0	15	35
		S3	0	1	0	1	2	1	1	5	0	7	9
		S4	1	0	5	5	11	10	0	5	0	15	26
		Σ	12	1	25	16		21	1	30	0	52	
	WEAKNESSES	W1	0	1	5	5	11	10	5	10	1	26	37
		W2	1	5	0	0	6	0	0	1	0	1	7
		W3	0	1	5	1	7	0	0	0	0	0	7
		W4	1	0	5	0	6	0	0	1	0	1	7
		Σ	2	7	15	6		10	5	12	1	28	
	TOTAL		14	8	40	22		31	6	42	1	80	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Flowers Garden has more than 10 years of experience. Although it is dedicated specifically to the production of plants, it has a wide variety of products, which allows it to diversify its sales. Regarding its competitors, Flowers Garden is very clear about its differences. It focuses on the way of production, which results in a product with better quality, in this case the cultivation of plants. Such differences facilitate their participation in fairs as for the clear differentiation from the rest of plants that are in the market.

The form of production of this nursery is of a great advantage since its practices are friendly to the environment. They also have a great quality control by the owner of Flowers Garden, Orlando Encalada, who in turn also has technical assistance of technical experts in the field.

The years of production this business possesses help, Flowers Garden to have a greater possibility of accessing credits, which can be of great help if the business wants to expand or leave the local area. The investment that can be made in this nursery can be used either to increase production or to reach other markets outside the canton of Paute.

About participation at fairs, this opportunity should be maximized with the intention of attracting new buyers contacts so that the business can expand. Also, the fact that there is an easy accessibility to credits must be exploited to be able to look for the expansion and to be able to cover more market as well as to give a bigger offer.

LIMITATIONS (WT)

The way in which Flowers Garden works is not very organized since it does not have defined plans nor objectives. The existing instability in the market about supply, demand and climate changes affects directly the business turnaround.

Similarly, the lack of permanent suppliers with which to work in a constant manner, complicates a better competing with other existing nurseries. It leads to an urgent need to create a strategic plan with solutions to deal with future problems. The lack of this strategic plan

prevents a quick response at the time of production difficulties due to the climate and the same lack of constant suppliers mentioned above.

Likewise, the lack of proximity to customers by different means than just fairs gives more opportunities to the competition to reach the market. A situation that can be solved by means of social networks, which allows quick communication, not only with customers, but also with suppliers without major costs. On the other hand, the lack of certifications of seeds and other inputs necessary for production leaves an open gap for the existence of pests and the little control that can be given to them.

4.3.9.3 ANALYSIS OF STRATEGIES:

The business should create a plan in with clear objectives. In the short run, they should involve greater product performance through training and technical assistance, and in the long run involve diversification projects, in case of price fluctuations, and of associativity with other producers. Also, establish actions to be taken regarding to the threats of the sector such as pests. In the same way, start working with certified seeds, which will also help to differentiate itself even more from the competition. Maintain quality controls and production practices that are friendly to the environment.

4.3.10 ASSOCIATION OF SMALL HOLDERS OF MILK CATTLE SAN ANTONIO OF BULÁN:

4.3.10.1 SWOT ANALYSIS:

STRENGTHS:

1. Clear differences in its product with respect to the rest in the market.
2. Financial credits with financial entities.
3. Constant training programs for members of the association.
4. Technical assistance in the production processes by MAG engineers.

WEAKNESSES:

1. Lack of a plan with decisions to be taken in cases where production issues arise.
2. Lack of a procedure manual in which the productive processes are described
3. It does not have any certification from authorized institutions.
4. The automation of production processes is low.

OPPORTUNITIES:

1. Opportunity to access credit by financial institutions.
2. There is a variety of products that are derived from milk.
3. The creation of new milk collection centers.
4. Wholesale to companies engaged in the distribution of milk.

THREATS:

1. Entry of new competitors in the market.
2. Substitute products of milk.
3. Variations in milk prices
4. Intermediaries who buy milk at very low prices and sell them at high prices.

4.3.10.2 CROSS SWOT:

Table 36 Confrontation Matrix Association of small holders of milk cattle San Antonio of Bulan

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										Σ	TOTAL
			OPORTUNITIES				Σ	THREATS				Σ		
			O1	O2	O3	O4		T1	T2	T3	T4			
INTERNAL FACTORS	STRENGTHS	S1	0	1	0	10	11	10	5	0	1	16	27	
		S2	10	0	1	0	11	0	0	0	0	0	11	
		S3	0	1	0	5	6	5	0	0	1	6	12	
		S4	0	5	1	1	7	5	0	0	0	5	12	
		Σ	10	7	2	16		20	5	0	2	27		
	WEAKNESSES	W1	0	1	5	1	7	5	5	1	1	12	19	
		W2	0	5	1	0	6	0	1	0	0	1	7	
		W3	0	1	5	10	16	5	1	0	5	11	27	
		W4	0	1	1	5	7	5	1	0	0	6	13	
		Σ	0	8	12	16		15	8	1	6	30		
	TOTAL		10	15	14	32		35	13	1	8	57		

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Having short-term and long-term objectives gives the association a point to put their strength in search of compliance. At the same time keep a schedule of activities which is focused on achieving the objectives set. Likewise, having a detailed general budget helps to use the necessary resources in each area to achieve the objectives. A budget also generates opportunities to get financing. A factor that is of great help is to own real estate as guarantees to get support from different financial entities. The training programs that are carried out, and the technical assistance that is provided to the production, are differentiating points of this association with the rest of the competition, which allows it to sell more production to the different collection centers.

LIMITATIONS (WT)

Not having an action plan, records of income and expenses, certifications, procedures manual, a slogan and commercial logo, a low automation of the plant, and not having personnel in charge of customer service and marketing, represent a problem for the association when dealing with circumstances or threats that the market may present such as new competitors, fluctuations in prices and low prices to which intermediaries buy. This is why it is necessary to have a strategic plan of action that contains all these parameters for a better and more efficient functioning of the association.

4.3.10.3 ANALYSIS OF STRATEGIES

The business should integrate manuals of production procedures, a slogan and commercial log as well as staff for marketing, service and customer service. Members of the same association can perform those functions. Create a plan in which the objectives of the association are involved to deal with threats such as the entry of new intermediaries, price fluctuations and low prices. Intermediaries can buy through previously established actions, at the same time they can maintain objectives at one, three and five years. Budgets both monthly and annually can be kept, as well as schedules of activities, integrate dates and resources to each activity.

Further promote training for associates and technical assistance for production. In the same way, take the advantage of the financial credits that provide support to the different associations, the great variety of products derived from milk that can be produced and the new collection centers that buy at a fair price.

4.3.11 ASSOCIATION OF SMALL HOLDERS OF MILK CATTLE SAN PEDRO OF NASTE:

4.3.11.1 SWOT ANALYSIS:

STRENGTHS:

1. Continuous quality controls that are made to production.
2. Projects of continuous improvement are executed thanks to the technical assistance that the association presents.
3. Daily tax obligations.
4. Its production has an adequate environmental management.

WEAKNESSES:

1. Lack of an action plan in case of production issues.
2. No financial credits for production with financial institutions.
3. Lack of personalized customer service.
4. It does not have schedules of activities related to milk production.

OPPORTUNITIES:

1. Opportunity to access credit for production by financial institutions.
2. A wide variety of milk products that can be produced.
3. The creation of new centers for the collection of milk.
4. Wholesale to big distributors.

THREATS:

1. Entry of new competitors in the market.
2. Substitute products of milk.
3. Variations in milk prices depending on supply and demand.
4. Intermediaries who buy milk at very low prices and sell them at high prices.

4.3.11.2 CROSS SWOT:

Table 37 Confrontation Matrix Association of small holders of milk cattle San Pedro of Naste

MATRIX OF CONFRONTATION						EXTERNAL FACTORS										
						OPORTUNITIES				Σ	THREATS				Σ	TOTAL
						O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	0	1	0	10	11	10	1	0	10	21	32			
		S2	0	5	0	10	15	10	0	0	1	11	26			
		S3	10	0	0	0	10	0	0	0	0	0	10			
		S4	0	1	0	10	11	5	0	0	0	5	16			
		Σ	10	7	0	30		25	1	0	11	37				
	WEAKNESSES	W1	0	5	0	1	6	5	5	1	1	12	18			
		W2	5	0	1	0	6	0	0	0	0	0	6			
		W3	0	0	0	5	5	5	0	0	0	5	10			
		W4	0	5	1	10	16	5	0	0	0	5	21			
		Σ	5	10	2	16		15	5	1	1	22				
	TOTAL		15	17	2	46		40	6	1	12	59				

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

More than 10 years of experience in the management of milk is an opportunity to venture into a variety of dairy products to expand their production. Adequate environmental management, continuous quality controls, improved projects and technical assistance are important factors that can be decisive when selling its product to the different collection centers that were formed. At the same time helps the product to be sold at a fairer price. Being able to keep up with the different tax obligations allows the association to access financing loans with entities such as BAN Ecuador and Jardín Azuayo.

LIMITATIONS (WT)

The association does not have a detailed plan, schedule of activities, monthly or annual budgets, cash flow records, financial credits, procedures manuals, slogan and commercial logo of the product, general service, customer service and personnel in charge marketing. This is very difficult to the growth of the association. The association should take actions to face the threats from the market as new competitors, the fluctuations in the prices, and of the intermediaries that buy the product a very low price to later sell it to a higher price to different collection centers.

4.3.11.3 ANALYSIS OF STRATEGIES

Establish short and long-term objectives, records of income and expenses every certain time, schedules of activities indicating dates and resources, increase production improvement projects, and allocate some budget and personnel in charge of marketing, members of the same association can act like them. Integrate procedural manuals detailing production processes, mitigate threats such as the entry of new intermediaries, fluctuations in prices and low prices. Intermediary's purchase through action plans established in conjunction with the objectives. Maintain quality controls, continuous improvement projects, technical assistance and proper management of the environment. At the same time financial credits that provide support to the different associations are taking the advantage of, the great variety of products that are derived from milk and can be produced as well as the new collection centers buying at a fair price.

4.3.12 ASSOCIATION OF ARTISANS SAN PABLO OF GUARAINAG:

4.3.12.1 SWOT ANALYSIS

STRENGTHS:

1. The association has clear product differences regarding to production techniques since they are friendly to the environment.
2. The degree of automation of the plant is medium, which is a plus, since this does not occur in the rest of the associations in the area.
3. A logo and trade name is recognized in front of its clients and against the competition.
4. The quality controls are continuous, this is important since it can be known in a quick way if the product is failing, and solutions to maintain and improve the quality can be found.

OPPORTUNITIES:

1. Credit opportunity by financial institutions for being an association which is dedicated to agriculture. It is not complicated to get credit depending on the amounts that are needed. If amounts are big, mortgage loans on the lands of the members of the association can be accessed.
2. A broad market that seeks natural products.
3. Expand products that come from existing ones in different ways.
4. Wholesale.

WEAKNESSES:

1. No specific objectives, which does not allow an adequate guidance on where to go or what to do.
2. Few improvement projects in the production, which stagnates to the quality of the product and to the productive capacity.
3. It does not have organization charts of functions, so there are no established work divisions and there is no order.
4. It does not have procedures manual, this would be essential to ensure quality.

THREATS:

1. New competitors can enter the market with derivative products.
2. New pests that attack the product and no plans to counteract the loss that can occur from pests.
3. Cheaper prices of the competition because it is difficult to compare prices when is hard to know for sure how much is invested; how much is spent and how much is earned.
4. Climatic factors which are present throughout the year.

4.3.12.2 CROSS SWOT:

Table 38 Confrontation Matrix Association of artisans San Pablo of Guarainag

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES					THREATS					TOTAL
			O1	O2	O3	O4	Σ	T1	T2	T3	T4	Σ	
INTERNAL FACTORS	STRENGTHS	S1	0	10	5	5	20	10	1	0	0	11	31
		S2	0	10	5	5	20	5	1	0	0	6	26
		S3	0	5	0	5	10	5	0	0	0	5	15
		S4	0	5	5	5	15	5	5	0	0	10	25
		Σ	0	30	15	20		25	7	0	0	32	
	WEAKNESSES	W1	1	10	5	1	17	5	5	1	1	12	29
		W2	0	5	5	0	10	1	5	0	0	6	16
		W3	0	0	0	1	1	0	0	0	0	0	1
		W4	0	0	1	5	6	0	0	0	0	0	6
		Σ	1	15	11	7		6	10	1	1	18	
	TOTAL		1	45	26	27		31	17	1	1	50	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

Relatively new machinery for the production of horchata provides an advantage over the rest of the producers. Likewise, it has plots of land belonging to its associates from where the raw material for horchata is produced. Constant quality controls generate a differentiation of the product with respect to its competition. The association has created logo and commercial name for its product, in the same way they have a web page to provide a better service to the client. All of this in order to reach a wider market, in which, there is great demand for natural products.

LIMITATIONS (DA)

Despite being an association with machinery for production, and a product with brand and commercial logo, it does not have objectives, monthly or annual budgets, activity schedules, improvement projects, financial credits, procedures manuals nor people in charge marketing. It makes difficult the efficient development of the association at the time of production, this because they do not know how to act in the presence of threats or face different problems that the sector presents; such as climatic factors, pests that attack the product, competition and new competitors with cheaper prices. That is why it is very important to implement both administrative and productive implementation for further growth of the association.

4.3.12.3 ANALYSIS OF STRATEGIES:

The business should establish short and long-term objectives to know where to go as well as to generate reports of income and expenses every certain time. It should also now if there is a need for more investment. It should set the same or less activity schedules indicating dates and resources so that there is a better order at work. The business should increase production improvement projects and allocate a marketing budget, so that the association will have more presence in the market and in turn take the advantage of the demand of natural products that exists today.

Investment in quality control is a very important key for the existence of pests in the sector. This type of control would avoid having production losses and in turn would mark clear differences which would generate greater presence in front of the competition.

4.3.13 ASSOCIATION OF COMMUNITY DEVELOPMENT SAN VICENTE OF FERRER:

4.1.13.1 SWOT ANALYSIS: STRENGTHS:

1. The association has several types of products to count on to increase sales.
2. The association has clear differences with respect to the rest of the associations since it is the only one that is dedicated to the production of Andean grains.
3. Production practices are friendly to the environment.
4. The quality control is continuous favoring the production so that it is not lost.

OPPORTUNITIES:

1. The association has a large participation in local fairs.
2. The accessibility to mortgage loans is not complicated since it is an association dedicated to agriculture.
3. The products of the association are of potential consumption, so it can be extended to other derivative products.
4. They can extend their production land if necessary and if the members are organized.

WEAKNESSES:

1. Lack of specific objectives or a general budget, which generates a lack of organization and no fixed money to work with.
2. The association has a lack of certifications, which is important due to the products it offers.
3. The association does not have fixed suppliers, which can lead to instability in production due to lack of inputs.
4. There is a great lack of closeness to the client, since sales only occur at fairs and with a closer approach wholesale can be done.

THREATS:

1. Pests are unavoidable in this area and their control is non-existent.
2. Climate changes are a common problem; production can be lost.
3. Possible competition in the future.
4. Instability of the market with respect to non-fixed prices.

4.3.13.2 CROSS SWOT:

Table 39 Confrontation Matrix Association of community development San Vicente of Ferrer

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	0	10	1	12	0	0	5	0	5	17
		S2	0	0	5	0	5	0	0	10	0	10	15
		S3	0	0	5	1	6	1	0	5	0	6	12
		S4	0	0	5	0	5	5	0	5	0	10	15
		Σ	1	0	25	2		6	0	25	0	31	
	WEAKNESSES	W1	0	1	5	1	7	1	1	5	0	7	14
		W2	0	0	5	0	5	0	0	1	0	1	6
		W3	0	0	5	0	5	1	0	5	0	6	11
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	1	1	15	1		2	1	12	0	15	
	TOTAL		2	1	40	3		8	1	37	0	46	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

This association works with Andean grains, so it has a wide variety of products. Currently Andean grains are products of potential consumption because of the different properties they have since most of them are being used in nutritional diets.

On the other hand, in the area of Paute where the association is located there are no other growers who are dedicated to the cultivation of the Andean grains. The association makes clear differences from its competitors. These strengths can be used at the time of sale and at fairs.

The fact that the association works in the production of Andean grains and is a peasant association facilitates the accessibility to peasant loans. It can be used for the increase of production and likewise be able to encompass a bigger portion of the market. The association has 4 years of experience and thanks to its members there is an opportunity to expand the land for a greater production and at the same time a bigger offer.

LIMITATIONS (WT)

The association does not work with a plan that directs the association or with specific objectives. It prevents knowing where to go and making work more difficult. The area in which the association produces is somewhat unstable. Due to the geographical location of the production areas and the constant changes in climate, factors that create problems at the time of cultivation and harvest may arise. The lack of a strategic plan hinders an immediate response to problems. Often the work is stagnant, production can be lost and communication with the market is difficult, since it is unstable by the amount of supply and the variant of prices.

Another limitation is the fact that the association does not work with certified seeds. It can prevent diseases, but since they are not used at the time of cultivation, the existence of pests can kill all the production of months of work. The association does not work with fixed suppliers for the necessary supplies to the cultivation of Andean grains. Sometimes it hinders production since there is no record and we do not know with certainty what suppliers can be counted on, and this becomes a weakness versus competition. Since there is no close

communication other than at the time of the sale that takes place at the fairs there is also a lack of communication from part of the association to its clients.

4.3.13.3 ANALYSIS OF STRATEGIES

Create a plan which has objectives. Start working with budgets which allow creating new production projects and investing more in the necessary inputs. It is also important to have records with at least the production expenses and the profits that it generates in order to have a better direction of where to go. In the same way, for a better response of the association to its production, agreements or contracts must be performed with suppliers of the inputs so that they are fixed and work more quickly generating delivery plans.

On the other hand, having training and quality control programs is of utmost importance since it is the only way to have control over pests. In this way not lose production and at the same time create differentiation. Look for the opportunity to get together with other associations to create a collection center in order to sell to other places outside the area. Thus, taking the advantage of the fact that the products are of mass consumption.

4.3.14 FARMER ASSOCIATION LA MERCED OF UZHURLOMA:

4.3.14.1 SWOT ANALYSIS:

STRENGTH:

1. Existence of several types of products.
2. Twenty years of experience on agriculture; awareness of all changes in the field exist.
3. Production practices are friendly to the environment; product is also safer for consumption.
4. Quality controls are constant to avoid any production issue or in case of one, remedy it in time.

OPPORTUNITIES:

1. Large participation in local fairs.
2. Accessibility to the credits is easy as the association is dedicated to agriculture.
3. Possibility of extending the land thanks to the participation of the members.
4. Support from the Ministry of Agriculture with land for production.

WEAKNESSES:

1. Lack of objectives and a general budget for production needs.
2. It does not have clear differences from the rest of the producers that develop the same products.
3. Lack of production and product certifications.
4. Lack of a better approach to the customer to create presence, increase sales and the number of them.

THREATS:

1. Constant existence of pests which generates large losses of production.
2. Climatic changes that can cause loss of all the production.
3. Existence of competition with the same products and production techniques.
4. Price instability in the market.

4.3.14.2 CROSS SWOT:

Table 40 Confrontation Matrix Farmer association la Merced of Uzhurloma

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	5	0	1	5	11	0	0	5	0	5	16
		S2	1	0	1	1	3	1	1	5	0	7	10
		S3	0	0	5	1	6	0	0	5	0	5	11
		S4	0	0	5	1	6	5	0	5	0	10	16
		Σ	6	0	12	8		6	1	20	0	27	
	WEAKNESSES	W1	1	0	5	0	6	1	1	5	0	7	13
		W2	1	0	1	0	2	0	0	1	0	1	3
		W3	0	0	1	0	1	1	0	5	0	6	7
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	3	0	7	0		2	1	12	0	15	
	TOTAL		9	0	19	8		8	2	32	0	42	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The Farmer Association has several products such as potatoes, beans and greenhouse tomato. Helping to have a greater participation in the fairs as it covers more market while offering different products.

Its extensive experience of 20 years in agriculture has helped the association in its improvement regarding production. Currently its production practices are friendly to the environment, Quality controls given by the technicians from MAG are very helpful.

This association has support from the Ministry of Agriculture, an institute that has collaborated with land extensions for the cultivation of different products. It helps the association to increase its production in order to increase sales. The association can also take the advantage of its facility to obtain peasant loans in order to a higher investment in production.

LIMITATIONS (WT)

The strongest limitation is the lack of objectives. The absence of these prevents the association and its members to respond to the difficulties that arise, for example, climate change or the same geographical location in which it is grown. These factors are very important and likewise very different, as it is the market in which the association operates. It is very unstable due to the amount of competition dedicated to the same type of production. Supply and demand are rarely constant, and the lack of a strategic plan leaves the association without an address to deal with any problems that may arise.

The association does not have clear differences established on its products regarding to its competence. It does not help it to establish itself in the market, since it does not have a plus different from its competitors. Here is also important the fact that the association does not work with certified seeds nor possess certifications regarding the way of production. Thus, this association is not a differentiated actor and it cannot fight the existence of pests. Having them is a strong issue since these can kill all the production.

The association also does not have an adequate communication with its suppliers or with its customers. This gives an advantage to its competitors, since the fact of not having fixed suppliers can greatly affect the production of the association and the lack of presence between its customers leave an open door.

4.3.14.3 ANALYSIS OF STRATEGIES:

Create objectives, general budgets for investments, records of expenditures and revenues for greater price management. It should also look for ways to create differentiation in its products such as through production practices or create products derived from greenhouse tomato, as examples.

Constant quality control is an important strategy to keep pests away from production and not generate a loss. Seek help from the Ministry of Agriculture to provide certified seeds which can help differentiate the products and stop pest issues

Find the opportunity to group with other associations to create a collection center to be able to sell to other places outside the area. This taking the advantage of the fact that products are of mass consumption. So, a greenhouse tomato collection center might be a good resource since there are many greenhouse tomato growers.

4.3.15 WOMEN'S NETWORK COMMITTEE FROM DUGDUG:

4.3.15.1 SWOT ANALYSIS:

STRENGTHS:

1. Existence of several products that can be produced throughout the year.
2. More than ten years of experience in agriculture.
3. Clear product differences regarding competition due to environmentally friendly practices in production.
4. The quality controls are continuous; helps to deal quickly with any type of inconvenience.

OPPORTUNITIES:

1. A strong participation in local fairs.
2. The accessibility to credits is easy due to the existence of peasant credits granted only to agriculture producers.
3. Members can extend the land of production by providing each one of its own lands.
4. Products are for mass consumption.

WEAKNESSES:

1. There are no objectives or a general budget that can be used to increase production.
2. Lack of certifications regarding production techniques and their products.
3. The lack of fixed suppliers can affect directly production because of no inputs or the lack of them.
4. Approaching the client in no other ways than just at the time of sale.

THREATS:

1. Existence of pests.
2. The constant climatic changes that harm production.
3. Existence of competition similar products and similar production practices.
4. The instability of prices in the market.

4.3.15.2 CROSS SWOT:

Table 41 Confrontation Matrix Women's network committee from DugDug

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES					THREATS					TOTAL
			O1	O2	O3	O4	Σ	T1	T2	T3	T4	Σ	
INTERNAL FACTORS	STRENGTHS	S1	5	0	1	10	16	1	0	5	0	6	22
		S2	1	0	1	5	7	1	1	5	0	7	14
		S3	1	0	5	5	11	1	0	5	0	6	17
		S4	0	0	1	5	6	5	0	5	0	10	16
		Σ	7	0	8	25		8	1	20	0	29	
	WEAKNESSES	W1	1	0	1	5	7	1	1	5	0	7	14
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	0	1	11		2	1	12	0	15	
	TOTAL		11	0	9	36		10	2	32	0	44	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

This association works with several different products. It generates advantages over the clients since it covers the existing demand. This is why the participation in the local fairs is important as the association can offer its products showing its differences from competition.

Product differences in this association are given thanks to its friendly practices to the environment and the constant quality control. It works under the responsibility of the representative of the association along with the help of the MAG technicians. The association has access to peasant loans for being an association dedicated to agriculture, credits which can be very useful at the time of wanting to expand the market. For example, with the construction of more greenhouses or investing more in inputs for production.

LIMITATIONS (WT)

The lack of objectives and strategies prevents responding to the difficulties that arise for the production and the sale of products. This, due to factors such as climate change or the same geographic location in which it works. There is also an instability in the market in which the association develops. This is seldom constant when it comes to supply and demand, therefore prices and the lack of a strategic plan is an obstacle for the resolution of problems that may arise.

Another limitation is that the association does not work with certified seeds nor has certifications regarding the way of production, so that the existence of pests cannot be controlled, and the entire product can be spoiled. Also, the lack of certifications might make things harder if they want to market the product outside the local area since, without certifications, the guarantees that it is a good product, even if it is, is null.

On the other hand, there is no adequate communication to its suppliers or its customers. It is a big problem, since the fact of not having fixed suppliers, can greatly affect production, and the lack of presence among their clients gives way to that they prefer the competition.

4.3.15.3 ANALYSIS OF STRATEGIES:

Mainly, it must determine objectives to have a sense of direction. These can be of short or long term. Work with budgets to generate an opportunity to invest in production, logistics or marketing. Records of income and expenses to know if the association is going on the right track or to see what should be changed. Also look for the opportunity to group with more associations to generate a greater presence in the market, for example with the creation of a collection center in which more associations can participate.

Quality control is a fundamental part of the strategy to keep production in good condition and not lose it due to pests' issues. Seek for more help from the Ministry of Agriculture to have more openness in the market, taking the advantage of the fact that; the products of this association are mostly of mass consumption, so it is not difficult to leave the area and market in other places.

4.4 SWOT AND CROSS SWOT ANALYSIS OF GUACHAPALA ASSOCIATIONS:

4.4.1 ASSOCIATION AGROPECUARIA SANTA TERESITA:

4.4.1.1 SWOT ANALYSIS:

STRENGTHS:

1. The association has several products for sale.
2. Six years of experience in agricultural production.
3. Production practices are friendly to the environment, guarantee quality and safety in its product.
4. Quality control is constant, giving a good image to the product and production practices.

OPPORTUNITIES:

1. A large participation in local fairs.
2. The possibility of extending its production area with the participation of the members of the association.
3. Easy accessibility to mortgage loans because the association is dedicated to agriculture, so it is an incentive for them to invest in their production.
4. Products are of mass consumption; the market is wide.

WEAKNESSES:

1. No specific objectives and a general budget to rely on.
2. The lack of certifications can give insecurity about the product.
3. There are no fixed suppliers; it can destabilize production in the case of missing supplies and not knowing where to turn.
4. No efficient approaches to the client to improve the associations position in the market.

THREATS:

1. There are many pests that harm the product completely.
2. Climate changes harm the product unexpectedly.
3. The existence of competition with the same products and same production practices.
4. Instability of the price of products in the market.

4.4.1.2 CROSS SWOT:

Table 42 Confrontation Matrix Association agropecuaria Santa Teresita

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	0	0	10	11	1	0	5	0	6	17
		S2	1	1	0	5	7	1	1	5	0	7	14
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	7	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	0	7	14
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	0	15	
	TOTAL		8	8	0	36		10	2	32	0	44	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

This association works with several products that increases its participation in local fairs. They can cover more the demand by diversifying their offer. The production practices of the members of this association are friendly to the environment based on a constant quality control.

The association is up to date in its tax obligations and has access to peasant loans for being dedicated to agriculture. They can obtain credits which can be very useful at the time to expand the market, for example, investing more in inputs for production.

LIMITATIONS (WT)

The association does not have certain objectives to prevent it from responding immediately to the difficulties that arise from both; the production and the sale of products This, due to factors such as climate change or the same geographical location in which it is located. There is also an instability in the market it operates, since it is inconstant because of the amount of supply that exists.

On the other hand, it does not work with certified seeds nor has certifications regarding the way of production. So that the existence of pests cannot be controlled, and it can spoil all the product.

There is also no adequate communication of the association with its suppliers or its customers. The fact of not having fixed suppliers can greatly affect production and the lack of presence among its customers can cause customers to prefer the competition.

4.4.1.3 ANALYSIS OF STRATEGIES

Work within a budget to create projects and keep track of income and expenses is important to know where the association wants to go. In turn the association should seek the opportunity to group with more associations in order to cover better the market, such as the creation of a collection center in which more associations can participate. It is also important to create

contracts or agreements with suppliers so that they become fixed and obtain a constant cooperation.

Having a constant quality control should also be part of the strategy, so that the production remains in good condition and there is no risk of losing it due to pest problems. The association has to seek support from ministries such as the Ministry of Agriculture to have more openness in the market, which should seize the opportunity that the products to which the association is engaged, are mostly of mass consumption so that It is not difficult to leave the area and market in other places.

4.4.2 ASSOCIATION OF SMALL AGRICULTURAL AND LIVESTOCK PRODUCERS OF CHAULLAYACU:

4.4.2.1 SWOT ANALYSIS:

STRENGTHS:

1. The association has several products to offer to the market.
2. Six years of experience in agriculture.
3. Its production practices are friendly to the environment and gives more security about the product that is being offered.
4. Quality control of products and their production practices are constant to be able to know if they are on the right track.

OPPORTUNITIES:

1. The association frequently participates in local fairs.
2. Derivative products.
3. There is easy accessibility to peasant loans.
4. The products are mass consumption so there is a big market to cover.

WEAKNESSES:

1. There are no specific objectives and they do not have a general budget that can be counted on for any activity linked to production.
2. The lack of certifications removes credibility on the quality of the products.
3. There are no fixed suppliers, so the inputs are not always the same and there may be a lack of them.
4. Lack of use of different tools to approach the client.

THREATS:

1. Existence of strong pests.
2. Unavoidable and strong climatic changes; they can cause all production to be lost due to drought or excess water.
3. Competition with the same products and the same production practices.
4. Instability in the prices of products in the market.

4.4.2.1 CROSS SWOT:

Table 43 Confrontation Matrix Association of small agricultural and livestock producers of Chaullayacu

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	0	7	14
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	0	15	
	TOTAL		8	13	0	36		10	2	32	0	44	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The association has several products, which is good when participating in local fairs. In this way they can cover more demand by diversifying their offer. About their production, their practices are friendly to the environment. It also has a constant quality control by specialized technicians in agriculture.

The association has access to peasant loans for being dedicated to agriculture. It is of a great help at the time to expand the market as, for example, investing more in inputs for production.

LIMITATIONS (WT)

This association does not work with specific objectives which does not allow it to respond immediately to the difficulties that may arise in the production, logistics and sale of products. This is due to factors such as climate change and the instability of the market in which the association operates. It is inconstant due to the amount of supply that exists and the variation in prices.

It does not work with certified seeds or with certifications about its way of production. So, it cannot control the existence of pests that can spoil the entire product. The association does not have fixed suppliers, which is a disadvantage since there is no security at the time that inputs are needed for production. They might not always know where to go, as no supplier becomes reliable.

4.4.2.3 ANALYSIS OF STRATEGIES

Develop objectives that give a direction to the association. It should also look for the opportunity to group with more associations in the area for the creation of a collection center in which more associations can participate and production can become bigger. As part of the strategy; contracts or agreements should be created with suppliers so that they become fixed and it might exist a constant cooperation.

Constant quality control is important within the production strategy and avoid the risk of loss due to problems with pests. Likewise, the association should seek support from ministries such as the Ministry of Agriculture to have more openness in the market. Take advantage of the opportunity that the products are mostly of mass consumption. This is why it is not difficult to leave the area to market in other places.

4.4.3 ASSOCIATION OF SMALL AGRICULTURAL PRODUCERS OF GUASAG:

4.4.3.1 SWOT ANALYSIS:

STRENGTHS:

1. Existence of several products which are offered to the market.
2. More than ten years of experience in the agricultural sector.
3. Production practices are friendly to the environment.
4. Quality control is constant so that improvement projects are promoted.

OPPORTUNITIES:

1. Participation in local fairs can help to better approach to potential buyers.
2. Derivative products.
3. Accessibility to credit for associations is not difficult because it is part of the agricultural sector as long as the money goes to production.
4. Products are of mass consumption which makes the market big.

WEAKNESSES:

1. Lack of objectives to know where to go and general budget.
2. Lack of certifications regarding production practices.
3. There are no fixed suppliers of inputs.
4. Lack of approach to the client and presence in the market.

THREATS:

1. Strong existence of pests; no control on it.
2. Climate changes directly affect production.
3. The possible competition with the same parameters as this association.
4. Instability in the market with respect to the prices of the products.

4.4.3.2 CROSS SWOT:

Table 44 Confrontation Matrix Association of small agricultural producers of Guasag

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	1	8	15
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	1	16	
	TOTAL		8	13	0	36		10	2	32	1	45	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The association work with several products, which is an advantage when participating in local fairs, since the demand is more diversified by diversifying its offer. Its production practices are friendly to the environment and the association has a constant quality control by specialized technicians in agriculture.

On the other hand, it is up to date in its tax obligations and it has access to peasant loans dedicated to agriculture. This is an advantage at the time to expand the market, for example, investing more in inputs for the production.

LIMITATIONS (WT)

The association does not have any type of plan or specific objectives, so it cannot respond immediately to the difficulties that may arise in the production and sale of products. This, due to factors such as climate change and an instability in the market where the association operates. This issue is inconstant due to the amount of supply that exists and the variation in prices.

The association does not work with certified seeds or with certifications about its way of production. It cannot control the existence of pests that can spoil the entire product.

The association does not work with fixed suppliers, which is a disadvantage since there is no security at the moment that inputs for production are needed. Not always knowing where to go, since no supplier can be trusted.

4.4.3.3 ANALYSIS OF STRATEGIES:

Mainly a determination of objectives is needed. The creation of a budget to work on. Records of income and expenses to get an idea of how the association is doing. Grouping with other associations in the area for stronger associativity and the creation of bigger projects. Such as the creation of a collection center in which more groups can participate, and production can be bigger as well as it may be feasible to cover more market by offering more as a group. As

part of the strategy, contracts or agreements with suppliers should be created so that they become fixed and there is constant cooperation.

Constant quality control is important within the production strategy and avoid the risk of loss due to problems with pests. Likewise, the association should seek support from ministries such as the Ministry of Agriculture to have more openness in the market and take the advantage of the opportunity that the products are mostly of mass consumption. It is not difficult to leave the area to enter into other places.

4.4.4 ASSOCIATION OF SMALL AGRICULTURAL PRODUCERS OF GULLANCAY:

4.4.4.1 SWOT ANALYSIS:

STRENGTHS:

1. The association has several products for sale.
2. A four-year experience association in the agricultural sector.
3. Production practices are friendly to the environment, which in addition to being good for the environment is also good for the product.
4. Quality control is continuous for future improvement projects.

OPPORTUNITIES:

1. Participation in local fairs to approach clients and generate contacts for future potential customers.
2. The accessibility to credits is easy.
3. Derivative products.
4. The products are of mass consumption which leaves a large market to cover.

WEAKNESSES:

1. There are no specific objectives so there is no direction where to go and what should be done, does not work with a general budget to help with the different needs or activities in production.
2. The lack of certifications can remove its healthy product credibility or that is produced under environmentally friendly practices.
3. There are no fixed suppliers; it can become unstable for production.
4. Lack of approach to the client.

THREATS:

1. Excess of pests in the area.
2. Climate changes can cause an entire production of months of work to be lost.
3. There is a lot of competition offered by the same products under the same parameters.
4. The instability of prices in the market.

4.4.4.2 CROSS SWOT:

Table 45 Confrontation Matrix Association of small agricultural producers of Gullancay

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	1	8	15
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	1	16	
	TOTAL		8	13	0	36		10	2	32	1	45	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The association has different products, which facilitates participation in local fairs, since it covers more demand by diversifying its offer. Its production practices are friendly to the environment and the association has a constant quality control by specialized technicians in what is agriculture. On the other hand, it has access to peasant loans granted to agriculture. It is an advantage when wanting to expand the market, for example, by investing more in inputs for production.

LIMITATIONS (WT)

The association does not have a specific plan nor objectives. So, it cannot respond immediately to the difficulties that may arise in the production and in the sale of products. This, due to factors such as climate change and an instability in the market in which it operates. It is inconstant due to the amount of supply that exists and the variation in prices.

This association is not up to date in its tax obligations and neither works with certified seeds nor with certifications about its way of production. It does not help to control the existence of pests that can spoil the entire product.

There is no way of working with fixed suppliers either. It is a disadvantage since there is no security at the time that inputs are needed for production. Not always knowing where to turn, since no supplier becomes reliable.

4.4.4.3 ANALYSIS OF STRATEGIES:

The business should take into account the importance of the objectives and determine them, whether they are short or long term. Budgets and records of income and expenses to be able to direct the association. The idea of grouping with other associations in the area for the creation of a center for stockpiling in which more groups participate may be feasible to increase supply. Contracts or agreements with suppliers should be created so that they become fixed and there might be constant cooperation.

Constant quality control is important within the production strategy and not taking the risk of production loss due to problems with pests. Environmentally friendly production practices can help to differentiate from the rest of the competition. Likewise, the association should seek support from the Ministry of Agriculture to have more openness in the market. It should take the advantage of the opportunity that the products are mostly of mass consumption. So, it is not difficult to leave the area and market elsewhere.

4.4.5 SUSTAINABLE ASSOCIATION OF GUACHAPALA AGRICULTURAL PRODUCERS:

4.4.5.1 SWOT ANALYSIS:

STRENGTHS:

1. Several products to offer to the market.
2. Six years of experience of the association in the agricultural sector.
3. Production practices are friendly to the environment, which is good for the product.
4. Quality control is continuous for future improvement projects as well as maintain or improve production practices.

OPPORTUNITIES:

1. Participation in local fairs to generate contacts for future potential customers.
2. Derivative products.
3. Accessibility to credit for the association is easy; as it is dedicated to agriculture.
4. Products are for mass consumption.

WEAKNESSES:

1. There are no specific objectives so there is no direction where to go.
2. The lack of certifications can remove the credibility of the product as healthy or that it is produced under environmentally friendly practices.
3. There are no fixed suppliers; it can be unstable for production.
4. Lack of approach to the client for a better positioning.

THREATS:

1. Excess of pests in the production area.
2. Climate changes cause the loss of all production.
3. The competition offered by the same products under the same parameters.
4. The instability of prices in the market.

4.4.5.2 CROSS SWOT:

Table 46 Confrontation Matrix Sustainable association of Guachapala agricultural producers

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	1	8	15
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	1	16	
	TOTAL		8	13	0	36		10	2	32	1	45	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The association works with a variety of products, which is good at local fairs, since it has more offer for buyers. The production practices are friendly to the environment and the association has a constant quality control by specialized technicians in agriculture.

It also has access to peasant loans since it is dedicated to agriculture, which is an advantage when wanting to expand the market, for example, by investing more in inputs for production.

LIMITATIONS (WT)

The association does not have specific objectives which slows down a rapid response to difficulties that may arise in the production, logistics and in the sale of products. This, due to factors such as climate change, geographical location and the instability that exists in the market in which the association works. It is inconstant due to the amount of supply that exists and the variation in prices.

This association does not work with certified seeds or certifications about its way of production. So, it does not help to control the existence of pests that can spoil the entire product. There is also no constant work with fixed suppliers which is a disadvantage because there is no security at the time that inputs are needed for production, not always knowing where to go as no supplier becomes reliable.

4.4.5.3 ANALYSIS OF STRATEGIES

Work with a plan that addresses the association objectives with clear ideas. Budgets and reports to know where the association wants to go. Group with other associations in the area for the creation a collection center with the participation of more groups to increase the supply. This can help cover more market and generate a greater presence in front of customers. Contracts or agreements should be created with suppliers so that they become fixed and there might be constant cooperation.

Constant quality control is important for production and not taking the risk of losing production due to problems with pests. Environmentally friendly production practices can help generate differentiation from the rest of the competition.

Likewise, the association should seek support from the Ministry of Agriculture to have more openness in the market and be able to work with better inputs such as certified seeds. The opportunity should be seized as the products are mostly of mass consumption, so it is not difficult to leave the area to commercialize in other places.

4.4.6 COMMUNITY DEVELOPMENT ÑUÑURCO:

4.4.6.1 SWOT ANALYSIS:

STRENGTHS:

1. Several products offered in the market.
2. Three years of experience as an agricultural association.
3. Production practices are friendly to the environment to ensure the quality of the product.
4. Quality control is continuous to improve production practices.

OPPORTUNITIES:

1. Participation in local fairs is important to be known for its product.
2. Derivative products.
3. The accessibility to credits for the agricultural association is easy.
4. Products are of mass consumption which gives space to a larger market.

WEAKNESSES:

1. They do not have specific objectives, nor do they work with a general budget that helps sustain the association.
2. Lack of certifications on production practices may generate distrust of the product
3. There are no fixed suppliers, which can be unstable for production.
4. Lack of approach and communication with the client.

THREATS:

1. Existence of pests in the area.
2. Climate changes are detrimental to production.
3. There is no great differentiation with the competition of the area.
4. The instability of prices in the market.

4.4.6.2 CROSS SWOT:

Table 47 Confrontation Matrix Community development Ñuñurco

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	1	8	15
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	1	16	
	TOTAL		8	13	0	36		10	2	32	1	45	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The Association has different products, which helps a lot when participating in local fairs, so it covers more demand by diversifying its offer. Its production practices are friendly to the environment and the association has a constant quality control by specialized technicians in agriculture.

On the other hand, it has access to peasant loans since it is dedicated to agriculture. It is an advantage when wanting to expand the market, for example, by investing more in inputs for production. It also has strong support from the Ministry of Agriculture related to the production of its products.

LIMITATIONS (WT)

The association has not determined objectives that indicate where it wants to go and how, so it cannot respond immediately to the difficulties that may arise in the production and sale of products. This, due to factors such as climate change and the instability of the market in which the association operates. It is inconstant due to the amount of supply that exists and the variation in prices.

This association does not work with certified seeds or with certifications of its way of production, so it does not help to control the existence of pests that can spoil the entire product. There is no way of working with fixed suppliers which is a disadvantage since there is no security at the time that inputs are needed for production as no supplier becomes reliable.

4.4.6.3 ANALYSIS OF STRATEGIES:

It is necessary to determine objectives. Budgets and records of income and expenses to know the purpose of the association. Join other associations in the area for the creation of a collection center with the participation of more groups to increase the offer. It can help to cover more market and generate greater presence in front of the clients. Contracts or agreements with suppliers should be created so that they become fixed and there might be constant cooperation.

Constant quality control is important for production and not taking the risk of losing production due to problems with pests. Environmentally friendly production practices can help generate differentiation with the rest of the competition. Likewise, the association should seek support from the Ministry of Agriculture to have more openness in the market and be able to work with better inputs such as certified seeds. The opportunity should be seized as products are mostly of mass consumption, so it is not difficult to leave the area and commercialize in other places.

4.4.7 SOCIAL AND COMMUNITY DEVELOPMENT ASSOCIATION OF PARIG:

4.4.7.1 SWOT ANALYSIS:

STRENGTHS:

1. Several products that the association offers to the market.
2. Six years of experience as an agricultural association.
3. Production practices are friendly to the environment.
4. Quality control is continuous for the improvement of both production practices and the product itself.

OPPORTUNITIES:

1. Participation in local fairs in order to contact future potential customers and make their products known.
2. Derivative products.
3. Accessibility to credit for associations engaged in agriculture is easy.
4. The products are of mass consumption.

WEAKNESSES:

1. The association does not have specific objectives.
2. The lack of certifications gives insecurity about the product
3. There are no fixed suppliers, which can be unstable for production.
4. Lack of approach to the client.

THREATS:

1. Existence of pests in the area.
2. Climate changes directly affect production and demotivates producers.
3. There is a lot of competition offered by the same products
4. The instability of prices in the market.

4.4.7.2 CROSS SWOT:

Table 48 Confrontation Matrix Social and community development association of Parig

MATRIX OF CONFRONTATION			EXTERNAL FACTORS										
			OPORTUNITIES				Σ	THREATS				Σ	TOTAL
			O1	O2	O3	O4		T1	T2	T3	T4		
INTERNAL FACTORS	STRENGTHS	S1	1	1	0	10	12	1	0	5	0	6	18
		S2	1	5	0	5	11	1	1	5	0	7	18
		S3	1	5	0	5	11	1	0	5	0	6	17
		S4	1	1	0	5	7	5	0	5	0	10	17
		Σ	4	12	0	25		8	1	20	0	29	
	WEAKNESSES	W1	1	1	0	5	7	1	1	5	1	8	15
		W2	1	0	0	1	2	0	0	1	0	1	3
		W3	1	0	0	5	6	1	0	5	0	6	12
		W4	1	0	0	0	1	0	0	1	0	1	2
		Σ	4	1	0	11		2	1	12	1	16	
	TOTAL		8	13	0	36		10	2	32	1	45	

Authors: Nicol Garzón and Christian Lucero

POTENTIALITIES (SO)

The Association of Parig has a variety of products. It facilitates participation in local fairs, as it better covers demand, diversify its offer in a greater scope as the products are of mass consumption. The production practices of this association are friendly to the environment and the association has a constant quality control by specialized technicians of agriculture.

It also has access to peasant loans since it is dedicated to agriculture, which is an advantage when wanting to expand the market, for example, by investing more in inputs for production.

LIMITATIONS (WT)

This association has not determined clear objectives, which slows it down from responding quickly to the difficulties that may arise in the production and in the sale of products. This is due to factors such as climate change and the instability of the market in which the association is developed. It is inconstant due to the amount of supply that exists and the variation in prices.

The association does not work with certified seeds or with certifications of its way of production, so it does not help to control the existence of pests that can spoil the entire product. On the other hand, there is no continuous cooperation from the same suppliers, so it does not have fixed suppliers which is a disadvantage since there is no security at the time that inputs are needed for production. It is not always known to where to go, as no provider becomes reliable.

4.4.7.3 ANALYSIS OF STRATEGIES:

It is necessary to work on clear short-term objectives to start giving a direction to the association. It is also good to create budgets that help to respond to the different circumstances that occur in the production. Records of income and expenses are also important to be able to know the reality of the association.

Grouping with other associations in the area for the creation of a collection center with the participation of more groups to increase the supply can help cover more market and generate

greater presence in front of the clients. Contracts or agreements with suppliers should be created so that these become fixed and there is constant cooperation. Constant quality control is important for production and not take the risk of losing production due to problems with pests. Environmentally friendly production practices can help generate differentiation with the rest of the competition.

Likewise, the association should seek support from the Ministry of Agriculture to have more openness in the market and be able to work with better inputs such as certified seeds. The opportunity should be seized as the products are mostly of mass consumption, so it is not difficult to leave the area to commercialize in other places.

4.5 CONCLUSIONS AND RECOMMENDATIONS:

Regarding Paute, it has been possible to identify that both individual producers and associations do not have a defined and orderly structure to be guided and managed. To be able to improve on it, it is necessary to create a strategic plan. The plan should include parameters and actions to be taken mainly for short and long-term objectives. It should also include functional organizational charts, annual and monthly general budgets, results and cash flows reports. In the same way, a budget destined for the marketing and sales area, from which advertising and personnel costs will be taken into account. Taking these types of actions, might be of a better management and above all more real information about the business situation can be obtained.

Likewise, it has been possible to identify from both individual producers and associations that the technical assistance and the execution of improvement projects are between the main strengths. Reason why they must continue working in these two aspects and always make constant improvements. The product that enters from Peru and the plagues that it brings along at the moment of its entrance have been the main problems that have affected the production of both, the associations and the individual producers of the cantons of Paute and Guachapala. Thus, the creation of a strategic plan is of vital importance to know what actions to take in case of situations like these arise.

With respect to Paute greenhouse tomato growers, specifically from the Bulán area. It was observed that there is a large amount of production, but each producer working on their own does not represent a greater weight within the market. So, it is timely to mention that it would be of great benefit for all producers if they were associated. Also, to create between all the partners a collection center for tomatoes. They would benefit in this way because there would be a greater production of tomatoes. Agreements between either supermarkets or companies that dedicate to the elaboration of products derived from tomato for sale can be kept. In the same way, as an association they could start to elaborate products derived from tomatoes, in order to generate an added value to their production and obtain greater profits.

5. FINAL CONCLUSIONS AND RECOMMENDATIONS

When carrying out the study of the current situation in which Paute and Guachapala are located, it could be observed that the economy in this area is very underdeveloped. Taking into account the industrial and commercial limitations that exist; since the commercialization is mostly locally and there is no developed industry regarding production within these cantons. It is true that agricultural activity is one of the most important, but also that it lacks support and growth in order to obtain better results. For example, growing in the commercial sphere, since, as we have seen throughout the study, most of the production in both Paute and Guachapala is mainly for self-consumption and what is left goes to what has to be marketed.

Commercialization in this area is very important for the development of the economy but, it is left behind. This is also because there are not many growers who dare to leave the local area to sell their own products. The rest of the producers only focus on production and leave the activity of the sale in the hands of intermediaries, which does not always favor the growers in the area. So, it would be essential that growers go directly to the market sell their products. A good start would be the existing local fairs that are developed thanks to the MAG. Here both individual growers and associations have the opportunity to participate and thus try to reach other places. This will allow them to start selling at a wholesale stage and little by little generate opportunities to create agreements or contracts with stores or even super markets.

Among other issues present at Paute and Guachapala, it has been observed the poor infrastructure that exists for agricultural production, and irrigation systems. It is very difficult to work in certain areas because of the geographical location as well as roads in poor condition. All these factors prevent the development of production in the market and influences the income of producers and their associations. The fact that both in Paute and in Guachapala, according to the analysis made of the PDOT of each, there is also an inequality or territorial imbalance. This due to the bad division of land which likewise influences a certain production mode.

On the other hand, analyzes made to each of the associations and producers of the cantons mentioned above show their own reality. For example, the development they have in areas such as administrative; financial, productive and sales, do not reflect a positive result and this is because of their way of work. It could be changed to obtain different results. For example, the fact on how each of the associations work: most of them continue working as individuals and not as an association, which is a disadvantage. They are associated but each member works only on their own production and sells only their products. There is no gain or associative work, rather the associations work together only when they are issues of technical improvement and this due to the Mag support. Such pattern of work should be changed. They also should start working together in a better way. If the association generates profit as a group because of their joint sales, they would gain more, and they would have more to invest. Likewise, if they would lose in production or in jointly sales as an association, they all would bear the damage.

Likewise, with the individual producers, for example; in Bulán de Paute area and in almost all of Guachapala, greenhouse tomato production exists in large quantities, but since it is produced individually, it does not generate a high impact. In this case if producers would associate for the production of greenhouse tomato and for its sale they would have a greater impact. There would even be a need for a collection center for this product. It would bring more

benefits to the sale of tomatoes and thus also the opportunities to generate contracts and agreements with buyers outside the local area without the need to work with intermediaries.

Regarding the production in general of Paute and Guachapala, there are also factors such as climate, supply and demand that define the market in this area. Producers and associations are not prepared to face future problems. That occur both in the production, as in the sale of their products. For example, in the case of production, often because of the weather all production can be lost either by excess of rain or lack of it. The presence of pests also has been a major issue and there is no type of plan that helps producers to avoid it or to respond without a loss of great impact. On the other hand, there is also a lack of response to competition, both local, as well as foreign competition coming from Peru. There are no strategies that can compete against the different prices that come from Peru, for example. All this has been observed thanks to the export potential tests applied in the associations and to the SWOT analyzes carried out subsequently.

In many cases the threats and weaknesses weigh much more than the strengths. It has not been possible to establish strategies to help to take the advantage of the different opportunities that are presented. For example, in the case of Guachapala, no association interviewed has a registered trademark. In the case of Paute, one of six associations interviewed has a trademark, which is the case of the Association of San Pablo de Guarainag. On the other hand, from the other actors interviewed within of the canton Paute only Mestiza has its registered trademark. A registered trademark in one way or another generates more presence not only in front of the client, but also in the face of competition. Those kinds of opportunities are the ones that are being wasted.

Other factors that are very clear in the area are the lack of associativity, formalization of existing associations and individual producers. Most of them do not have a RUC number nor RISE. Finally, the lack of added value to the products. This is a problem that has always existed and the fact that giving an added value to the production is not sought diminishes a lot the possibilities of monopolizing the market. It is true that the majority of production is because of mass consumption, but these products are not only produced in Paute and Guachapala. So it leaves a great competition in the market, so the idea of giving a plus to production is essential.

The added value to production can begin by obtaining friendly environment production certificates or by the use of certified seeds. They are also needed in the whole analyzed area, but even with this, the area does not have products; from the same greenhouse tomatoes could be obtained canned tomato soup or tomato sauce. Also, from some fruits they could make wines or compotes for babies. These types of products would expand market opportunities, not only local, but also national and in the future even internationally. In order to accomplish it all conditions must be improved.

Currently, the area of Paute and Guachapala are not in conditions to export their products. This could change and improve over time, but for now, they must work for a better functioning of the associations in the area and individual producers should seek to associate in order to create greater presence as mentioned above.

The lack of organization in each of the associations, strategies and development plans has resulted in its stagnation. It should not be forgotten that the support of public entities is also of vital importance for their development and, if, the associations have the help of the MAG for

technical issues and production improvement, they also need support in regard to sales and to the different ways of investment to grow. Lack of knowledge in some cases is what also adds to the stagnation that exists to leave the local area.

So that in the future there is the possibility of exporting both the products that are made in Paute and in Guachapala, it is urgent to change the way they work. They should make sure that the associations work as such. They should work together and always have a development plan. It is also very important to have good production practices and take into account the added value that can be given to each of the products in order to cover the market even further. At the same time, the support from public entities in the two cantons is very important since what the associations need now are opportunities for growth.

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APPENDIX

Appendix 1 EXAMPLE OF THE EXPORT POTENTIAL TEST (EXPORAUDIT) APPLIED TO INDIVIDUAL ASSOCIATIONS AND PRODUCERS

FINANCIAL AREA

ACCOUNTING- FINANCIAL INFORMATION	POSSIBLE ANSWERS	WEIGHING
It has a General Budget?	Yes, one monthly and yearly	
	Yes, one annual	3
	No	
Has updated Cash Flow Reports?	Yes, monthly	
	Yes, every 6 months	3
	No	
It has updated reports on the Results and Balance Sheet?	Yes, monthly	
	Yes, every 6 months	3
	No	
It has Analysis of Calculation of Costs by Product / Point of Balance?	Yes, constantly	
	Yes, sometimes	3
	No	
Is the Company willing to provide resources to co-finance the project?	Yes, whatever is necessary	
	Yes, but a small percentage	3
	No	

What kind of guarantees does the company have to access new credits?	Immovables	
	Mortgage	3
	Any	
What is the financing mechanism currently and what could be used to export?	Stocks / investors	
	Commercial loans	3
	Any	
Is it up-to-date on all Tax, Financial, Personal, Commercial, Legal, Municipal, etc. obligations?	Yes, in all	
	Yes, but not in all	3
	No	
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STRATEGIC PLAN FOR THE LOCAL ENVIRONMENT	POSSIBLE ANSWERS	WEIGHING
What kind of company are they?	Society	
	Natural person	3
	Craftsman	
Do you have a Strategic Plan clearly containing aspects such as Mission, Vision and Values?	Mission, vision and values	
	One of the three	3
	Any	
Does your Strategic Plan clearly describe the Organizational Objectives in 1, 3 and 5 years?	Objectives at 1, 3 and 5 years	
	Objectives for 1 year	3
	It has no objectives	
The Strategic Plan has been communicated to the different key positions in the Organization?	Yes to everyone	
	Only a few	3
	No	
Does your Strategic Plan consider the needs of local markets as well as national ones?	To local and national	
	Only locals	3
	Does not exist a plan	
Have their main differentiating advantages been identified with respect to other companies?	Clear differences	
	Differences not very clear	3
	There are no differences	

The objectives contain the following details	Schedules / dates / resources / investments	
	Responsibles	3
	Any	
Within your strategic plan, do you plan to export?	Yes, in 1 year	
	Yes, in 3 years	3
	No	
Do you have a Functional Organigram?	Yes, and it is applied	
	Yes, but they are not applied	3
	No	
Do you have Procedures or Functions Manuals?	Yes, and it is applied	
	Yes, but they are not applied	3
	No	
Have you participated in Certification projects, Quality Management (ISO), BPM, Continuous Improvement, etc?	Yes, I have some	
	Yes, I have one	3
	No	
Does your company have job descriptions?	Yes, for all with specified tasks	
	Yes, but without specifying tasks	3
	No	
How many years of experience do you have in the industry?	10 or more	
	6	3
	3 or less	

In the guild chamber or association of you, exports are encouraged?	Yes, constantly	
	Yes, infrequently	3
	No	
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PRODUCTION AREA

PRODUCTION SYSTEMS	Possible answers	Weighing
It has a star product?	Yes, with some	
	Yes with one	3
	None	
Indicate Degree of Plant Automation	Highg	
	Medium	3
	Low	
Their suppliers of raw materials are national or foreign?	Nationals	
	National and foreign	3
	Foreign	
Do you keep a qualification record of the suppliers for the different supplies and services required by the Company?	Yes, I have a specified manual	
	Yes, but not specified	3
	No	
Do your production processes guarantee compliance with ISO 9001 Quality Standard or other Standards required in your industry?	Yes, all of them	
	Only a few	3
	Any	
	Yes, often	

Are there personnel who perform quality controls both throughout the process and in the characteristics of the product itself?	Yes, but not very often	3
	No	
Are continuous improvement projects in production processes executed?	Yes, often	
	Yes, but not very often	3
	No	
Do you have the capacity to manufacture products for export?	Yes	
	Very little	3
	No	
Would it improve the flexibility and capacity of the plant through technical assistance and improvement of procedures and methods of work?	Yes	
	Very little	3
	No	
Can products be produced in your Plant under specific designs of the Customers or potential Export Markets?	Yes	
	No	0
Is there a continuous training program for production and operations personnel?	Yes, continuously	
	Yes, but very few	3
	No	
What is the Average Age of the machines, equipment and tools of the Plant?	From 0 to 10 years	
	From 10 to 20 years	3
	20 years or more	

Do you have your own trained personnel for the maintenance of machines and equipment?	Yes, all of them	
	Yes, only a few	3
	No	
Do you have a logistics service provider?	Yes	3
	No	
Do you have knowledge of packaging processes?	Yes	
	No	3
ENVIRONMENTAL MANAGEMENT		
Does it comply with the Adequate Management / Use of the byproducts of its production?	Yes	
	Partially	3
	No	
Does the company's manufacturing processes not cause discomfort to surrounding communities?	No	3
	Yes	
Do you have a Clean Production System endorsed by any National or International Organization?	Yes	
	No	0
Does the company have programs to reuse and reduce waste?	Yes	3
	No	
Do you meet the requirements of environmental management for your industry?	Yes	
	No	0
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SALES AREA, MARKETING AND CUSTOMER SERVICE

SALES	Possible answers	Weighing
Do you have advertising material about the product and its competitive advantages?	Yes	3
	No	
Do you have a slogan or commercial logo with which you advertise your products and company?	Slogan and commercial logo	
	Only one	3
	Any	
What is the means frequently used for the promotion of the products and company?	Social Media/ Internet	
	Fairs	3
	Any	
Do you have a defined Budget for Marketing and Sales Activities?	Yes	
	No	0
Do you have a person or work group that manages the areas of marketing and Sales?	Yes	3
	No	
What is the image projected by the Company in advertising?	Efficient in its management	3
	Competitive prices	
	Innovative Products	3
	Socially responsible	
	Ambientalemtne responsible	
	Other	
	Any	0
CUSTOMER SERVICE		
	Work group	

Do you have a person or work group that handles the areas of Customer Service?	One person	3
	Any	
Do you have procedures for customer service and attention?	Yes	3
	No	
What is the means frequently used for contact with Clients and / or Commercial Channels?	Email/Internet	
	Personal visits	3
	No contact	
Do you have a Suggestion Box or comment record book available to customers?	Yes	
	No	0
Do you have a Web Page?	Yes	3
	No	
		30

Total amount	
200 - 249	
140 - 200	
0 - 140	