



Universidad del Azuay

Faculty of Legal Sciences

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"Internationalization plan of *Fábrica de Velas Herminio Delgado Cía Ltda* through
PRO ECUADOR Route for the Exporter."

**Thesis project prior to obtaining a Bachelor's Degree in International Studies
with a minor in Foreign Trade**

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Dedication

We dedicate this thesis project to our parents and siblings who have supported us unconditionally in every stage of our lives. To our grandparents for their gift of wisdom and love.

Acknowledgments

Above all we want to thank our parents for their love, support, sacrifice, and well-timed advice, which has guided and nourished our lives allowing us to culminate our academic training.

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Abstract

A large percentage of Ecuador's economy is composed of economic agents that are categorized within the group of MSMEs (Micro Small and Medium Enterprises). As this is a current reality and taking into account that many of these enterprises are able to expand and offer their products to the world through exportation, it is at this point when the MSMEs must take the next step, focusing on the internationalization of the companies. This way they can offer their products in larger markets and at the same time grow positively with products of quality and be internationally competitive. In Ecuador, MSMEs have the possibility to find new markets outside of the country, especially with the use of the PRO ECUADOR ROUTE for the Exporter. This tool provides exportation advice to companies in order for them to become exporters and is offered by PRO ECUADOR (Public Institution), which is part of the Ministry of Foreign Trade, in order to encourage national production in international markets. This thesis project seeks to analyze all existing concepts and tools that can be applied to the family business of the city of Cuenca, "Fábrica de Velas Herminio Delgado". This is because the company is considered an agent with export potential and also the national market no longer allows this business to continue to grow.

INTRODUCTION

The MSMEs have a fundamental role in the Ecuadorian economy because in 2016 they represented approximately 92% of Ecuadorian companies (Econ Victor Zabala, 2016). For this reason, the present graduation project aims to motivate MSMEs to internationalize through PRO ECUADOR's Route for Exporters.

Our research uses as an example "Fábrica de Velas Herminio Delgado", a family company located in the city of Cuenca, which has been present in the national market for more than 50 years. For this reason, we will propose taking a step forward and seeking the internationalization of this company by exporting its products with the use of the PRO ECUADOR Route for the Exporter. This option is one that could also be applied to other MSMEs in the country.

The main objective of this thesis project is to design an internationalization proposal for the company mentioned above with the implementation of the PRO ECUADOR Route for the Exporter. First of all, to achieve the objective already mentioned, the MSMEs and the aforementioned company will be analyzed in a holistic way. Secondly, the public entity PRO ECUADOR will also be explored and finally, an internationalization plan for the company will be established.

Within the methodology for the elaboration of this graduation assignment, different qualitative secondary sources, such as books, degree projects, scientific journals, papers, articles on the Internet, among others will be analyzed. The information that will be an important part of this thesis will be taken from books, the internet and virtual libraries (Ebrary, Ebsco, Scopus, proQuest, among others). Quantitative data that is considered relevant, for example, Ecuador's exportation rates, will also be analyzed. This information will be taken from primary sources such as Statistica,

Central Bank of Ecuador, National Institute of Statistics and Censuses (INEC),
World Bank, CIA Factbook, among others.

CHAPTER 1: THE COMPANY "FÁBRICA DE VELAS HERMINIO DELGADO CÍA. LTDA."

INTRODUCTION

This chapter has a business approach. In the first part, MSMEs will be analyzed in a holistic way, offering the most relevant definitions about these companies. Afterwards, the main characteristics will be explained using the regulatory bodies as a reference. Finally, the importance and the current situation of MSMEs in Ecuador will be highlighted.

In the second part, we will address the main aspects and characteristics of "Fábrica de Velas Herminio Delgado". This will include the history, mission, vision, values, human resources, competitors, organizational structure, organization chart and SWOT analysis.

In the third part, we will purely focus on the description of the product. We will present a brief summary about the goods that the company provides to the market, followed by referring the two brands that are currently in place: Velas HD and LAVEL. In the same way, the target market segments, product lines and their distribution will be presented.

MSMEs and SMEs

Definition

The term MSME is the acronym for "Micro, Small and Medium Enterprise" while SMEs is the acronym for "Small and Medium Enterprise". MSMEs and SMES have

a fundamental role in the Ecuadorian economy, as is cited in Ekos magazine, in 2016 they accounted for 92% and 42% of companies in Ecuador, respectively (Econ Victor Zabala, 2016).

It is for this reason that the most relevant definitions will be cited below in order to give a better understanding of the nomenclature that was mentioned earlier. The Royal Academy of Language provides a broad definition of SMEs, stating that, "it is a commercial, industrial, etc., company composed of a small number of workers, and with a moderate volume of sales. Therefore, a company is small or medium in terms of the amount of income, the value of its assets and the number of workers it has on staff." (Royal Academy of Language, 2017)

On the other hand, the Organic Code of Production, Trade and Investment (COPCI), published in the Official Registry Supplement No. 351, dated December 29, 2010, defines MSMEs as "any natural or legal person who, as a productive unit, carries out a production, trade and/or service activity and that complies with the number of workers and gross value of annual sales indicated for each category, in accordance with the ranges that will be established in the regulations of this Code" (Organic Code of Production, Commerce and Investments C., 2010).

Additionally, taking as a reference the official website of the Internal Revenue Service (IRS), SMES are recognized as a "group of small and medium-sized enterprises that, according to their sales volume, social capital, number of workers, and level of production or assets, have characteristics that solely pertain to these type of economic entities" (Internal Revenue Service, SMEs, n.d.).

Characteristics

The largest number of SMEs are found in cities of greater development. Therefore, about 75% of these entities are located in Guayaquil and Quito, while in the provinces of Azuay, Manabí and Tungurahua there are only 17%, and the remaining 8% corresponds to the remainder of the provinces.

According to information published on the Internal Revenue Service website, in Ecuador, small and medium-sized companies carry out different types of economic activities, among which the following stand out:

- Wholesale and Retail.
- Agriculture, forestry and fishing.
- Manufacturing industries.
- Construction.
- Transportation, storage, and communications.
- Real estate and services provided to companies.
- Communal, social and personal services. (Internal Revenue Service, SMEs, n.d.).

Article 106 of the Regulation of the II Book of the Organic Code of Production, Trade and Investments, published in the Official Registry Supplement No. 450, dated May 17, 2011, "to the Structure and Institutionality of Productive Development, of the Investment and of the Mechanisms and Instruments of Productive Development", refers to the classification of MSMEs, indicating the categories that micro, small and medium enterprises have for promotion and business development programs.

The following table aims to summarize the categories mentioned:

Table 1 Categories of micro, small and medium enterprises.

| | Number of workers. | Sales value or annual gross income |
|--------------------------|---------------------------|---|
| Micro Enterprise | 1 to 9 | Less than or equal to one hundred thousand (US \$ 100,000.00) United States dollars. |
| Small Enterprise | 10 to 49 | Between one hundred thousand and one (US \$ 100.001,00) and one million (US \$ 1'000.000,00) United States dollars. |
| Medium Enterprise | 50 to 199 | Between one million and one (USD 1'000.001,00) and five million (USD 5'000.000,00) United States dollars. |

Source: Article 106 of the Regulation "to the Structure and Institutionality of Productive Development, of the Investment and of the Mechanisms and Instruments of Productive Development" from the II Book of the Organic Code of Production, Trade and Investments.

Created by: Cobo-Delgado

The Regulation Bodies of MSMEs

Article 54 of Book III of the Organic Code of Production, Trade and Investment, entitled "The Business Development of Micro, Small and Medium-sized Enterprises, and Democratization of Production", mentions the regulatory bodies of MSMEs. It makes a reference to the institutions and capabilities of these same enterprises. According to the aforementioned article, the Sectoral Production Council is in charge of coordinating the policies for the promotion and development of Micro, Small and Medium Enterprises with sector ministries, according to their skills.

In order to define the MSMEs policies, the Sectoral Council for Production is given the following responsibilities and skills:

a. Approve the policies, plans, programs and projects recommended by the implementing agency, as well as monitor and evaluate the management of the entities in charge of the execution, considering the cultural, social and environmental characteristics of each area and articulating the necessary measures for technical and financial support.

b. Formulate, prioritize and coordinate actions for the sustainable development of MSMEs, as well as establish the annual budget for the implementation of all programs and plans that are a priority.

c. Authorize the creation and supervise the development of specialized infrastructure such as, MSMEs development centers, research and technological development centers, business incubators and transfer nodes or laboratories, that will be needed to promote, facilitate and impulse the development of these companies in accordance with the laws relevant to each sector.

d. Coordinate with specialized agencies, public and private, training programs, information, technical assistance and commercial promotion, aimed at promoting the participation of MSMEs in international trade.

e. Encourage the participation of universities and local, national and international education centers, in the development of entrepreneurship and production programs, in a cooperate way with the productive sectors, in order to strengthen MSMEs;

f. Promote the implementation of the principles, criteria necessary for quality certification in the field of MSMEs, determined by a competent authority on the matter

g. Implement clean production programs and social responsibility by the MSMEs

h. Promote the implementation of information and organizational development tools that support the link between public and private institutions that participate in the business development of MSMEs

i. Coordinate, with public and private institutions linked to business financing, the actions needed to facilitate the access to MSMEs credit

j. The others should be established by the Law (Organic Code of Production, Trade and Investment)

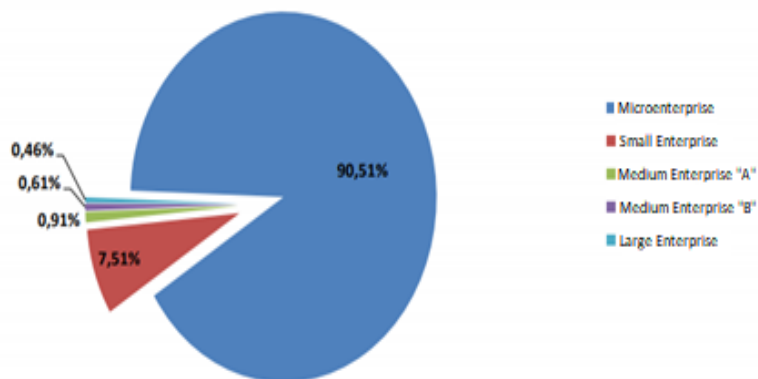
Ecuador's Current Situation

According to the "Directory of Companies and Establishments", a document issued by the National Institute of Statistics and Census (INEC), 843,745 companies were registered in 2016. The following will analyze the structure of the companies and the participation in sales according to their size and province.

Figure 1 Company Structure According to its Size, year 2016



Company Structure According to its Size, Year 2016



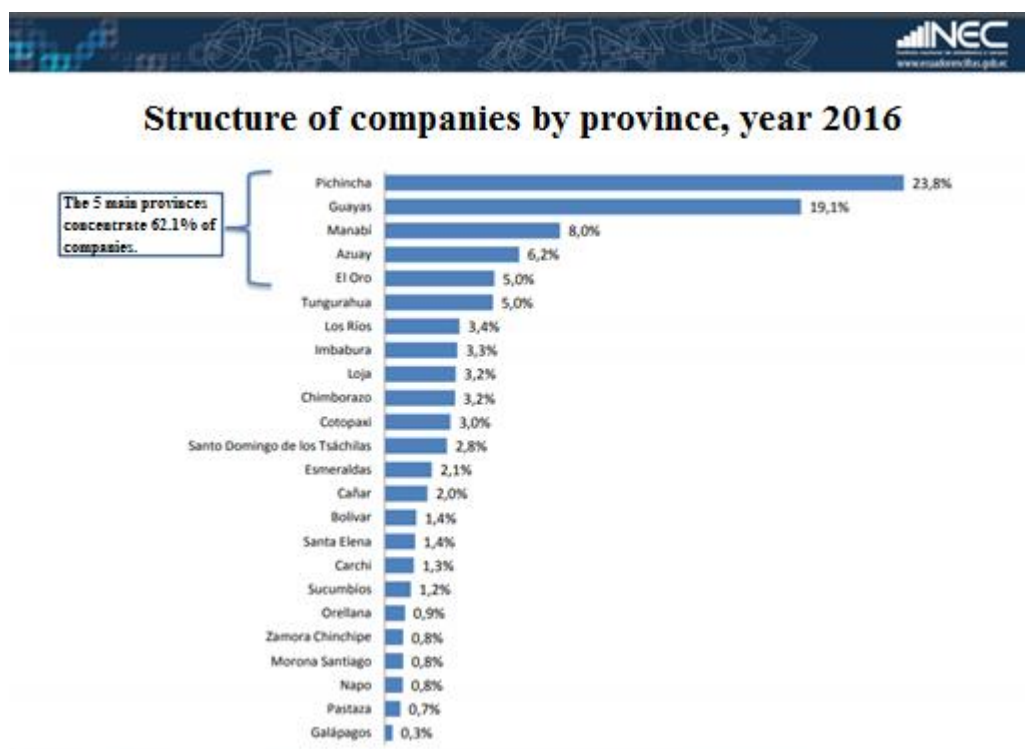
| Size of Enterprise 2016 | No. of Enterprises | Percentage |
|-------------------------|--------------------|----------------|
| Microenterprise | 763.636 | 90,51% |
| Small Enterprise | 63.400 | 7,51% |
| Medium Enterprise "A" | 7.703 | 0,91% |
| Medium Enterprise "B" | 5.143 | 0,61% |
| Large Enterprise | 3.863 | 0,46% |
| Total | 843.745 | 100,00% |

Note: Clasification issued by the Andean Business Community

Source: (National Institute of Statistics and Census, n.d.)

According to Figure 1, most of the companies in Ecuador are microenterprises, since they represented 90.51% of the total, 7.51% are small and 1.52% are medium while large companies only accounted for 0.46% of the total. For these reasons we conclude that 99.54% of the companies in 2016 were MSMEs.

Figure 2 Structure of companies by province, year 2016

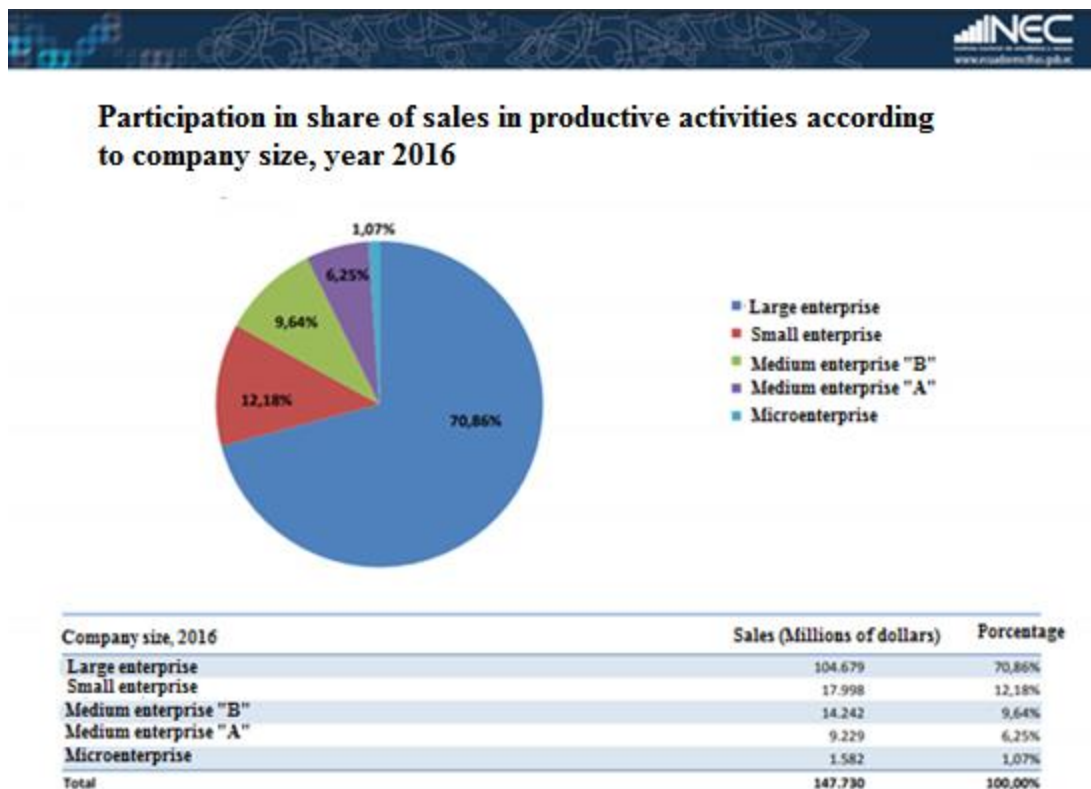


Source: (National Institute of Statistics and Census, n.d.)

According to Figure 2, 62.10% of the companies in 2016 were centered in Ecuador's 5 main provinces: Pichincha, Guayas, Manabí, Azuay and El Oro, representing 23.8%, 19.1%, 8%, 6.2% and 5%, respectively.

As additional information, in 2016 the main economic activities were trade, agriculture and livestock, transport and storage, manufacturing and lodging and meals, representing 36.6%, 10.4%, 10%, 8.6% and 7.4% respectively.

Figure 3 Participation in share of sales in productive activities according to company size, year 2016



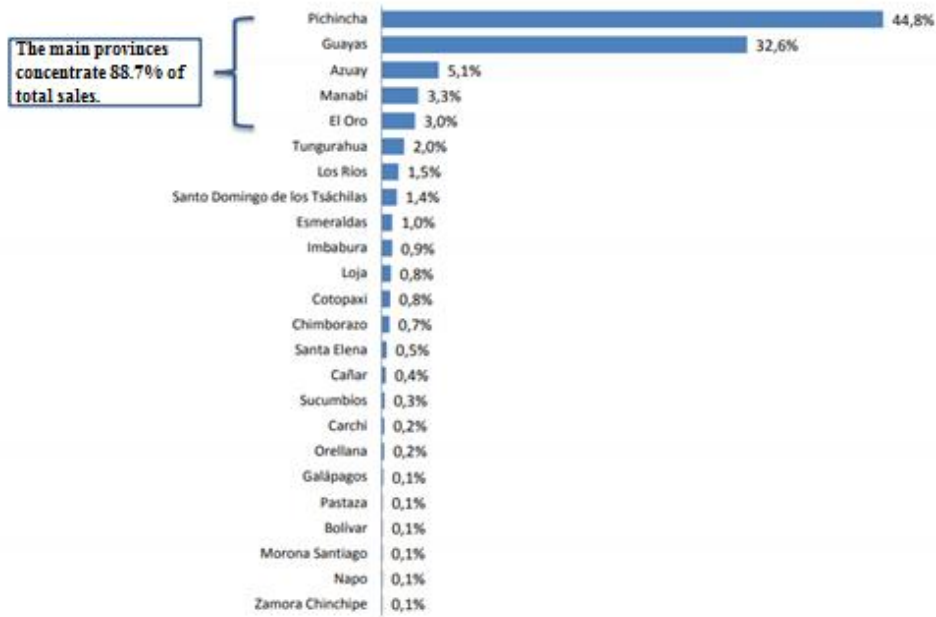
Source: (National Institute of Statistics and Census, n.d.)

In regards to Figure 3, the large company has the biggest share of sales of productive activities during 2016, representing 70.86%. While the small, medium and micro companies, represented 12.18%; 15.89% and 1.07%, respectively. Therefore, it can be concluded that MSMEs represented a total of 29.14% in the sales share of productive activities in 2016.

Figure 4 Share in sales of productive activities by province, year 2016.



Share in sales of productive activities by province, year 2016.



Source: (National Institute of Statistics and Census, n.d.)

In relation to Figure 4, it can be concluded that total sales were concentrated in the following provinces: Pichincha (44.8%), Guayas (32.6%), Azuay (5.1%), Manabí (3.3 %) and El Oro (3.0%). As a final conclusion, the 5 provinces mentioned represented 88.7% of total sales.

THE COMPANY

Historical Overview of the Company and its Products

The Fábrica de Velas Herminio Delgado began in 1940 thanks to the undertaking of Mr. Herminio Delgado and with the support of his son Mr. Julio Delgado. In its beginnings, the company was characterized by being a family business and was dedicated to the production of package candles or white candles.

At the beginning, the factory had only manual molds that allowed a very limited production. It is for this reason that by 1950 the company imported its first machine from Germany, for the production of white candles, which allowed an improvement in the production and the quality of the product.

By 1965, the company achieved greater popularity and above all a greater presence in the market. This made the importation of more machines very necessary and, for the same reasons, the imports of paraffin (raw material) began. All of this allowed the company to reduce their costs and have a higher production to better satisfy the market.

In 1975, the company imported the first machine for the elaboration of spiral candles from Germany. The import of the mentioned machine signified the company's first efforts to elaborate and produce decorative candles.

In 1980, the company introduced its products in the two largest and most important supermarket chains in Ecuador, "La Favorita" and "El Rosado".

The nineties were filled with major administrative changes for the company. In 1992, Herminio Delgado sold his shares to his son Julio Delgado, who from that moment

took the reins of the company. In 1996 Arq. Gustavo Delgado began working in the factory as chief executive of the company.

In the year 2000 a renovation of the machinery was carried out, thus improving the quality of the decorative candles. Since 2001, the factory has been part of the "LATIN AMERICAN ASSOCIATION OF CANDLE MANUFACTURERS" ALAFAVE, which allowed the company to have a direct contact with suppliers from all over the world and, at the same time, be exposed to a greater influence by design trends.

During 2012, Julio Delgado donated his shares to his son Gustavo Delgado, who to this date is in charge of the direct management of the company.

Currently the company has more than ten product lines and serves the main supermarket chains and decoration stores nationwide. The new challenge that the company faces is the internationalization of its products to new markets for which it will have to expand its presence internationally.

Mission

Fábrica de Velas Herminio Delgado is an Ecuadorian company dedicated to the production and commercialization of traditional, decorative and aromatic candles made with 100% Ecuadorian workmanship. The central focus of this business is to satisfy the national market with innovative and high quality products, without forgetting the responsibility it has with the environment, which makes them a company with responsibility and ethics.

Vision

To be the main distributors nationwide in candles and decoration. Also, to be recognized as a brand of high quality and innovation both nationally and internationally, looking to satisfactorily meet the demands of the market.

Values

The central focus of the Fábrica de Velas Herminio Delgado is to work as a team based on trust, ethics, responsibility and respect at all levels in order to create an optimal work environment. This will allow the company to better meet the needs and demands of their customers without neglecting their responsibility to the environment.

Human Resources

Fábrica de Velas Herminio Delgado has 78 employees, of which 15 are administrative, while 63 are factory workers. It should be noted that this company counts on the external advice of experts in occupational medicine and industrial safety. The staff of the company has constant training in innovation and process improvement, in order to ensure attractive quality products with high added value.

Competitors

The main competitors of Fábrica de Velas Herminio Delgado are: Almon del Ecuador and Glade, in terms of aromatic candles, while in package and decoration candles it is Industrias Catedral. It should be noted that imported candles also represent a great competition for the Company, as they have a competitive advantage in prices. In the same way, artisans also represent local competition, since, although

they do not have industrial production, they have innovative designs with a high added value.

Organizational structure

The Fábrica de Velas Herminio Delgado has a vertical organizational structure, as it has branches from top to bottom. In the upper part is the chief executive, who is the maximum representative of the company and therefore is responsible for decision making and strategic planning. Subsequently, it branches out into hierarchy levels, which results in 6 departments:

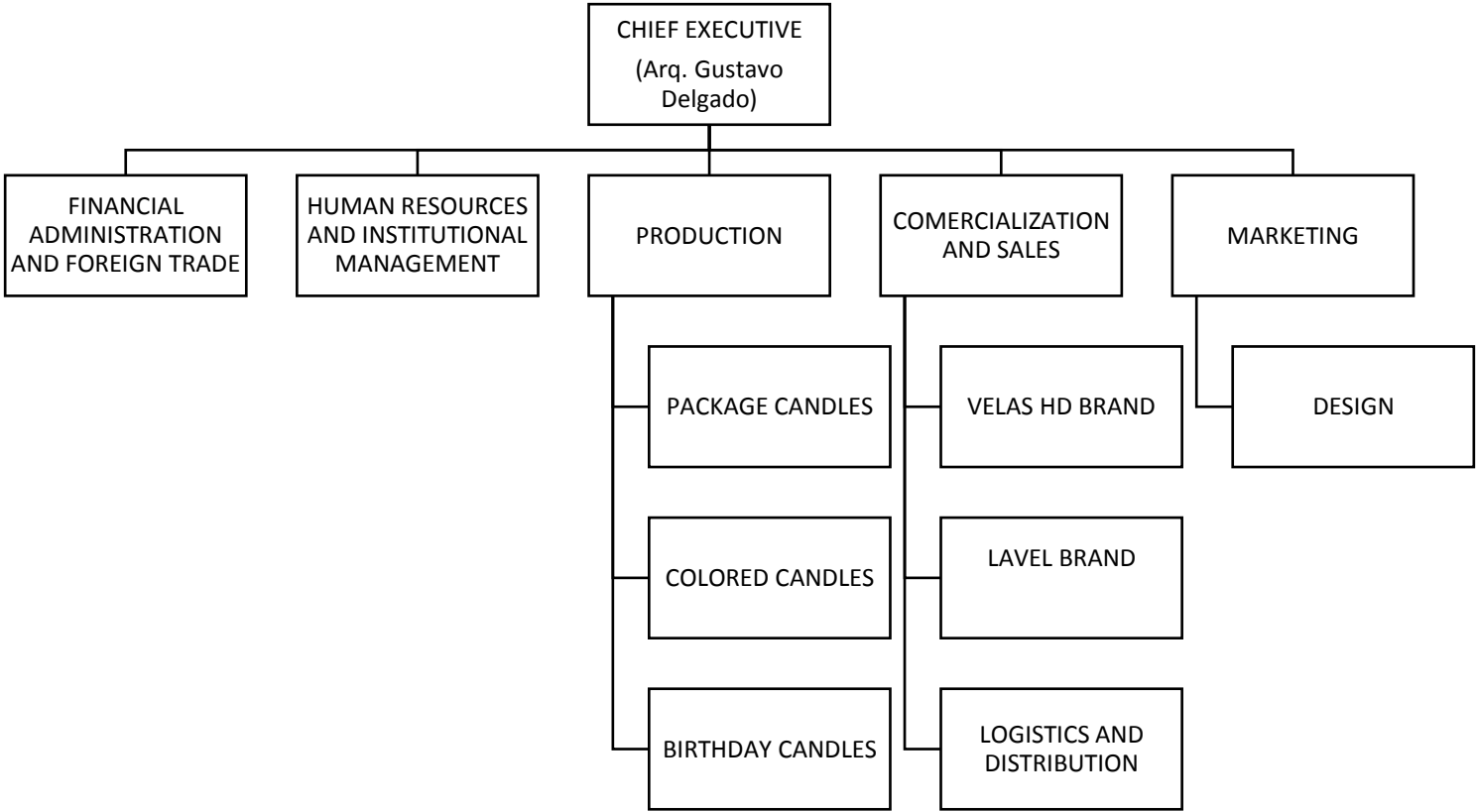
- **Financial Administration and Foreign Trade:** This department is responsible for managing and administrating the financial and material resources of the company. Similarly, it is in charge of all the activities concerning the imports that are made, including: orders and their tracking, contact with suppliers, related procedures, payments, among others.
- **Accounting:** The referred department manages the capture and registration of all financial and budgetary operations of the company. In the same way, it is responsible for issuing relevant information, about the operations carried out, to the chief executive for the respective decision making.
- **Human Resources and Institutional Management:** The aforementioned department manages activities related to personnel, such as recruitment, training, rewards, permit management, occupational health and the general welfare of workers.
- **Production:** This department is responsible for the transformation of inputs to finished goods. It includes most of the staff who are highly trained in specialized areas of production such as, in package candles, decorative

candles and birthday candles. One of the biggest challenges that this department faces is generating a greater added value to the products and guaranteeing their quality.

- **Marketing and sales:** The department that is mentioned is responsible for all activities concerning the planning and development of sale strategies. Among its main activities are the recruitment of new customers, management of current and potential customers, promotional services, management of social networks and after-sales services. It should be emphasized, that this area works together with specialized marketing personnel.
- **Design and new projects:** This department handles all activities related to the design of new products, as well as the innovation of existing ones. Another fundamental activity is the development and creation of innovative labels and packaging, always keeping in mind the utilization of all regulations.

Organization chart:

Figure 5 Fábrica de Velas Herminio Delgado Organization Chart.



Source: Fábrica de Velas Herminio Delgado

Created by: Cobo-Delgado

SWOT Analysis:

Table 2 SWOT Analysis

| | |
|---|--|
| Strengths: | Weaknesses: |
| <ul style="list-style-type: none">• Be among the leading companies producing candles nationwide.• Have a versatile production level in terms of use. (Package and color)• Have exclusive and attractive designs.• Accessible prices.• Highly committed and trained staff. | <ul style="list-style-type: none">• Dependence on wholesale markets.• Lack of specific data sheets.• Limited infrastructure for upcoming expansions.• Limited infrastructure for warehousing. |
| Opportunities: | Threats: |
| <ul style="list-style-type: none">• Creation of new distribution channels.• Satisfying part of a market that has not been addressed.• There is a need detected in the market, which can be covered with our product.• Contact and support of PRO ECUADOR. | <ul style="list-style-type: none">• Possible establishment of large candle industries in Ecuador.• Increase in the price of raw material (paraffin) due to the rise in oil prices.• Less expensive products.• Change in government regulations when importing technology.• Increase in economic measures such as the (TSCA). |

Source: Fábrica de Velas Herminio Delgado

Created by: Cobo-Delgado

PRODUCT DESCRIPTION

Product

Fábrica de Velas Herminio Delgado has a wide range of products related to candles and decoration. Candles are the main product of the company, since it has a wide variation of models, colors and aromas. The company also has a complementary line of accessories for candles, such as candlesticks and candle holders.

Historical Review of the Candles

The first candles date back to the year 300 B.C. in Egypt and Crete, where they were made from the wax of bees. In the 13th century, the first guilds of candle makers were created, at that time they were known as "cereros". They were craftsmen who were dedicated in the manufacturing and marketing of candles (beeswax or tallow). The commercialization of the candles was carried out in cities such as London or Paris. Candles at that time were an essential tool, since they were an important source of energy and light in the cities. It was up until Thomas Alba Edison's invention of the light bulb, that candles were an essential part of people's daily lives. Although, it should be noted that to this day, there are places where the access to electric light is limited, which is why candles continue to be an essential part of lighting.

Candles have been of great importance in terms of rituals and religious ceremonies, especially by Catholics of Latin or French origin, who use candles in religious sacraments and veneration of saints.

Nowadays, candles are especially used for religious, decorative and environmental purposes.

Brands

The Organic Code of the Social Economy of Knowledge, Creativity and Innovation, better known as "Código Ingenios", defines a Brand as a "sign that distinguishes one product from another or a service from another" (Organic Code of the Social Economy of Knowledge and Innovation). The brand has an essential function for companies, since through its use, they can distinguish their products or services from others, in the same way, it has a fundamental role for consumers, since it guarantees the quality of the products. "Fábrica de Velas Herminio Delgado" handles two commercial brands, Velas HD and LAVEL. They focus on different market segments and therefore manage different distribution channels and product lines.

Velas HD Brand

The former Ecuadorian Institute of Intellectual Property -IEPI-, current NATIONAL SERVICE OF INTELLECTUAL RIGHTS -SENADI- (DE No. 356, of April 3, 2018), granted the registration of the sign named: Candles HD + Logo in favor of Fábrica de Velas Herminio Delgado Cía. Ltda, that expires on May 23, 2021. The aforementioned trademark is a distinctive mixed sign formed by the characteristic design of the letters that make up the terms Velas HD. The logo that accompanies the names mentioned before constitutes a rectangle, which has a candle figure on the bottom and to the right side of the wording Velas HD (See Annex 1: Registration title of the PRODUCT BRAND, Velas HD).

Target segmentation on the Velas HD brand:

Table 3 Target segmentation of the Velas HD brand

| Demographic characteristics | |
|--------------------------------------|---|
| Income level | \$ 386 (basic salary) |
| Age range | 25-65 years |
| Socio-Economic Level | Middle class |
| Gender | Female (Purchase management) |
| Level of Education | High School |
| Employment Status | Active |
| Psychographic Characteristics | |
| Description | Middle class people are mostly dependent workers, which mean that they are people who provide their service to another person, natural or legal, which is why there is subordination and payment of a salary. They have incomes equal to the basic salary or even lower. The purchasing power of this class allows for the necessary items for the home to be bought. |
| Reason for the Purchase | The main reason why women buy candles is for religious purposes. |
| Uses of the Product | <ul style="list-style-type: none"> • Decoration • Religious Purposes • Illumination |
| Product Knowledge | Its main use is for a religious nature, which is why depending on the beliefs and needs, the product is acquired in a specific model and color. |

Source: Market study conducted by Fábrica de Velas Herminio Delgado.

Product lines

The products with the Velas HD brand have low prices and therefore accessible to the market already mentioned. The main product lines that are handled within the brand Velas HD are package candles, candles for candlesticks, square pillars, birthday candles and glass fillings. The aforementioned lines have simpler and more industrial designs; however they are still attractive with innovative designs and above all with high quality.

LAVEL Brand

The former Ecuadorian Institute of Intellectual Property -IEPI-, currently SENADI, granted the registration of the brand called LAVEL + Logo in favor of Fábrica de Velas Herminio Delgado Cía. Ltda.; which expires on March 13, 2020. This brand is a mixed distinctive sign formed by the characteristic design of the letters that make up the LAVEL terms. The logo that accompanies the mentioned terms constitutes a square with the figure of a flame on the left, (See Annex 2: Registration title of the PRODUCT BRAND, Lavel).

Segmentation of the LAVEL brand target market:

Table 4 Segmentation of the LAVEL brand target market

| Demographic Characteristics | |
|--------------------------------------|---|
| Income Level | Equal to or Greater than \$750 |
| Age Range | 30-70 years |
| Socio-Economic Level | Middle, Upper-Middle |
| Gender | Female (Purchase Management) |
| Level of Education | University (Superior Education) |
| Employment Status | Active |
| Psychographic Characteristics | |
| Description | The women in this social class are mainly professionals who not only have above average earnings and advanced academic degrees but also a greater degree of autonomy in their work. The purchasing power of the aforementioned class allows luxury items to be purchased which means that decorative items such as candles (with a greater added value) can also be bought. |
| Reason for the Purchase | The main reason why women buy candles is for decorative purposes. Women seek to decorate their homes and give them a touch of aroma. |
| Uses of the Product | <ul style="list-style-type: none"> • Decor. • Air freshener. • Aroma therapy. • Religious purposes. |
| Knowledge of the Product | Women today know the benefit of aroma therapy with candles and are at the forefront of decorating styles. |

Source: Market study conducted by Fábrica de Velas Herminio Delgado.

Product lines

Products with the LAVEL brand, as they are focused on the upper middle class, have a higher added value. The main product lines that are handled within the LAVEL brand are candles for candlesticks, round and square pillars, glass fillings and floating candles and accessories for candles. The mentioned lines have more innovative designs and a greater added value.

Distribution

LAVEL focuses on retail customers and decoration stores. The aforementioned brand distributes its products through its chain of stores with the same name LAVEL; it is also distributed to the main decoration stores in the country.

CONCLUSION

MSMEs have a fundamental role in the Ecuadorian economy, since as mentioned above, they represented approximately 92% of the companies in Ecuador in 2016 (Econ Victor Zabala, 2016), which were centered in cities of greater development such as Quito and Guayaquil.

According to the "Directory of Companies and Establishments", a document issued by the National Institute of Statistics and Census (INEC), 843,745 companies were registered in 2016. Despite the fact that 99.54% of them were MSMEs and the large companies only accounted for 0.46%, the large companies have the largest share in sales of the productive activities, since they represented 70.86%, while the MSMEs had a 29.14% share in sales. It can be concluded that although there are more MSMEs in Ecuador; the large companies have greater participation in sales in productive activities.

As an additional conclusion according to the aforementioned source, total sales were concentrated in Pichincha, Guayas, Azuay, Manabí and El Oro, since they represented 88.7% of total sales. In the same way, it should be emphasized that the Sectoral Production Council is in charge of coordinating the promotion and development policies of the Micro, Small and Medium Enterprises with the sectoral Ministries, according to their capabilities.

The family business "Fábrica de Velas Herminio Delgado Cía. Ltda." from the city of Cuenca, has been present in the local market for fifty years, currently has 78 employees, provides the market with more than ten product lines and serves the main supermarket chains and decoration stores nationwide. The company handles 2 brands primarily, Velas HD and LAVEL. They focus on different segments and therefore manage different distribution channels and product lines, in order to better satisfy the market. It should be noted that innovation and quality are a priority for the company, which is why the products have a wide variety of models, colors and aromas, giving the product the highest possible added value.

CHAPTER 2 PRO ECUADOR THE PUBLIC INSTITUTION

INTRODUCTION

In this chapter the most important points, which are the indispensable basis of the Institute for the Promotion of Exports and Investments -PRO ECUADOR-, are developed. PRO ECUADOR's main purpose is to promote, encourage and direct the production companies, both small and medium-sized, to export their products to international markets and boost foreign trade within Ecuador. For this, we will indicate their mission, vision and strategic objectives.

Throughout the development of the topic previously presented, a review of the legal bases, which are the pillar for the creation of the institution will be made. We will also focus on the Country Brand license, on the analysis of areas such as commercial intelligence, promotion of exports and services, all with the purpose of a correct guidance for the businessman who seeks to take his product to other countries.

On the other hand, the signaling system, which is based on three colors red, yellow and green, is used as a reference. The first color is proposed to be "Orientation and Advice", which is aimed at entrepreneurs. The second stage, focusing on potential exporters is "Training and Technical Assistance" and, as a third stage we find the "Commercial Promotion", aimed at exporters. Each category mentioned corresponds respectively to the colors indicated, with the sole purpose of promoting foreign trade in the field of exports.

INTRODUCTION TO PRO ECUADOR

PRO ECUADOR is the Institute for Promotion of Exports and Investments; it is part of the Ministry of Foreign Trade, which is responsible for implementing the rules and policies for the promotion of exports and investments in the country. Its objective is to impulse the offering of traditional and non-traditional products, as well as the actors and markets of Ecuador, favoring in this way the introduction to international trade.

Its mission is to promote the exportable supply of goods and services that the country possesses with a superior focus on the diversification of products, markets and actors. With all of this, seeking to attract more foreign investment, but above all to offer Ecuadorian products in international markets, complying with the objectives of the National Plan of Good Living.

While its vision is to become a public institution that works in an agile, transparent and inclusive manner. This would allow Ecuador to position itself as a supplier of products and services with both added value and high quality, attracting foreign investment, which allows a technological and productive chain.

PRO ECUADOR has four strategic objectives which are:

- To promote in a convenient way, the exportable offer of goods and services of Ecuador, thus strengthening exports and also urging the diversification and deconcentration of exporters, markets and products.
- Achieve the empowerment and diversification of the exportable supply through investment, which causes a productive and technological connection.
- Acquire an appropriate export culture with emphasis on recent foreign trade actors.
- Include all domestic products in international trade, especially those offered by small and medium-sized companies.

Legal Information

i. Legal Base

"The Institute for the Promotion of Foreign Exports and Investments, is an entity of the Ecuadorian public sector created by law published in the Official Record Supplement No. 351 of December 29, 2010 ..." (PRO ECUADOR, 2010)

Organic Code of Production, Trade and Investment:

"...Art. 95 Non-financial export promotion The Institute for the Promotion of Foreign Exports and Investments is created, under the Ministry responsible for foreign trade policy, which will be structured and operated according to what is established in the Regulation." (PRO ECUADOR, 2010)

Through the Executive Decree No. 776, the General Regulation for the Organization and Operation of the Institute for Promotion of Exports and Foreign Investment PRO ECUADOR was issued. It was published in the Official Register No. 459, dated May 31, 2011, which indicates in its article 2 its objectives, which were previously mentioned. (PRO ECUADOR, 2010)

ii. Agreements

- Memorandum of Understanding between MRE, PRO ECUADOR and CBI (English)
- Memorandum of Understanding between MRE, PRO ECUADOR and CBI.

Previously PRO ECUADOR had the agreement mentioned before, but now Ecuador no longer belongs to the Center for the Promotion of Imports for Developing Countries (CBI) reason why this memorandum is no longer valid.

iii. Country Brand License

The Country Brand is currently a very important tool, since it allows to attract and encourage tourism, investments and exports. It is key for a State to invest in the good management of the referred brand, since it is the image that is shown to the rest of the world, so they can generate new opportunities, achieving a more competitive country.

The current motto that characterizes the Country Brand in Ecuador is "Ecuador loves life". Our country, like others, has seen the need to boost its brand in order to position itself in the global context and to be seen as a country that offers quality. It should be noted that since 2013 the Ministry of Foreign Trade is in charge of managing the aforementioned brand, focusing on the exportable products we have and the best way to show the world the pride of being Ecuadorians.

Through the Country Brand, it will be possible to identify the origin of the products and services, promote the productive offer of the country and strengthen the positioning of the Country Image

The use of the license of the Country Brand "Ecuador Ama la Vida" has no cost, is free and can be requested by natural or legal persons, national or foreign, from the public or private sector. It has a duration of 2 years, from the signing of the contract, with the possibility of being renewed.

To apply to use the license of the Country Brand "Ecuador Ama la Vida", the applicant must enter the website www.marcapaisecuador.com.ec, select the option "Country Brand License" and create a user account. The user will proceed to fill the online application form, according to the type of license required, and finally attach the requested documents.

- *Brand License Application for events.*
- *Brand License Application for public institutions.*
- *Brand License Application for products - commercial.*
- *Brand License Application for services - institutional.* (Ministry of Foreign Trade, 2015)

Areas

- i. Commercial Intelligence** PRO ECUADOR has a Commercial Intelligence Department which provides current information on international markets.

Ecuadorian entrepreneurs have access to information created by this department, such as:

- *Market and product studies.*
- *Commercial guides and logistics of countries.*
- *Statistics of bilateral trade balances.*
- *Analysis of productive sectors.*
- *Requirements for access to foreign markets.*
- *Monthly international trade information.* (PRO ECUADOR, 2010)

- ii. **Promotion of Exports** PRO ECUADOR is the entity to which every entrepreneur must go when exporting, since it has expert coordinators in the seventeen productive sectors of the country, these specialized people are of great help to promote different businesses abroad.

In conjunction with PRO ECUADOR, commercial promotion strategies such as the following, can be achieved:

- *Participation in national and international fairs.*
- *Contact with international buyers at business conferences.*
- *Commercial missions to markets of interest. (PRO ECUADOR, 2010)*

iii. Customer Service Department It is a department that provides special advice in foreign trade to small, medium and large entrepreneurs and participants of the popular and solidarity economy.

In order to meet the demands of entrepreneurs in the best way, this department offers several services, such as:

- *Information on basic requirements to be formalized as an exporter.*
- *Information about documents that accompany an export.*
- *Information on market access requirements.*
- *Knowledge on the charges that apply to importing countries, for the entry of Ecuadorian products. (PRO ECUADOR, 2010)*

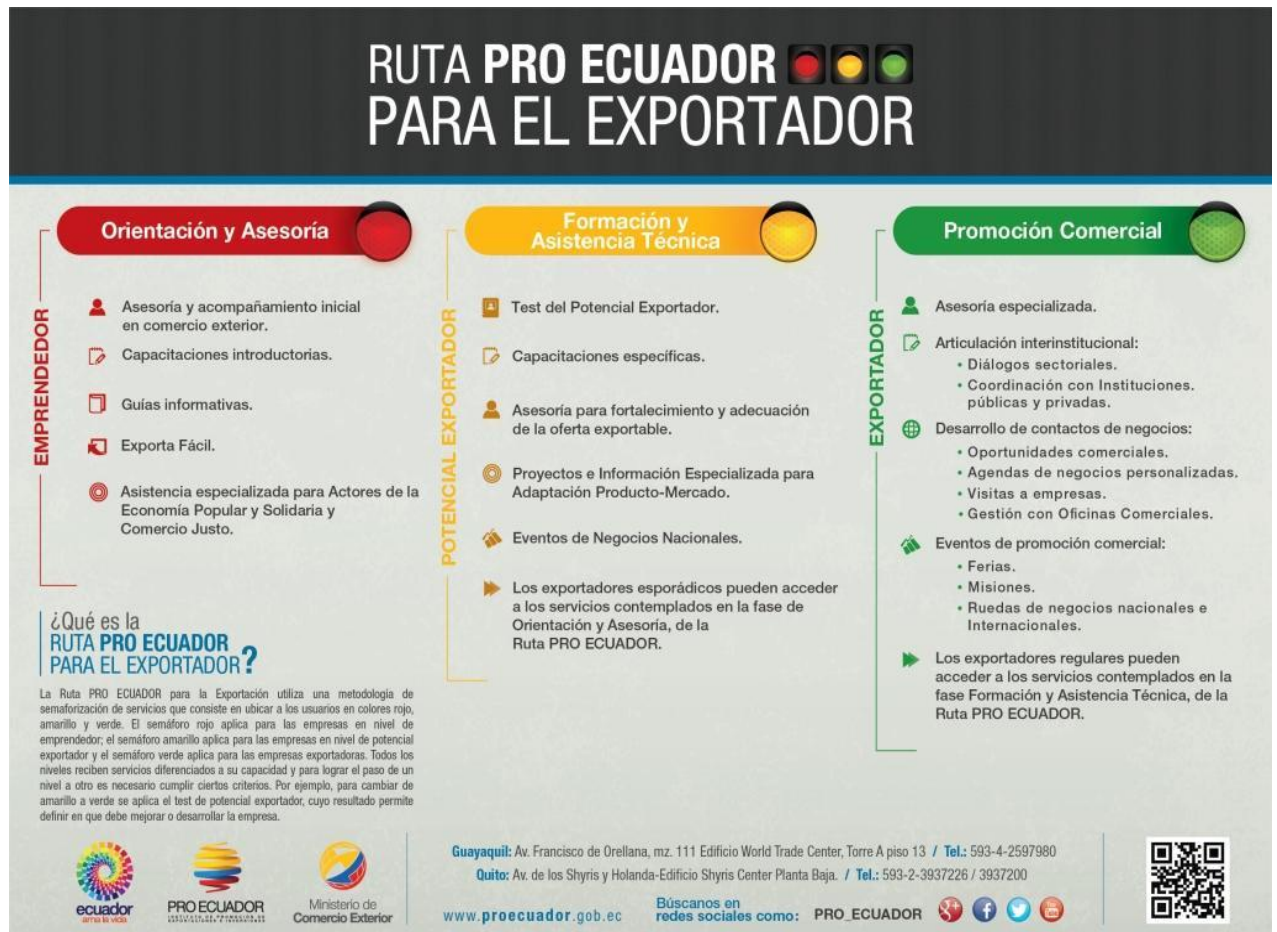
PRO ECUADOR ROUTE FOR THE EXPORTER

Introduction to the PRO ECUADOR Route for the Exporter

The PRO-ECUADOR Route *"is a signaling service system that consists of locating users in red, yellow and green colors. The red traffic light applies to companies at the entrepreneur level; the yellow traffic light applies to companies at the export potential level and the green traffic light applies to export companies. All levels receive differentiated services to their capacity and to be able to pass from one level to another it is necessary to meet certain criteria. For example, to change from yellow to green, the export potential test is applied. This result allows to define what the company should improve or develop"*(PRO ECUADOR, 2010). In this way, the use of this tool is proposed to boost companies as potential exporters in search of new markets both nationally and internationally.

Next, a detailed reference will be made on each level of the PRO ECUADOR route for the exporter.

Figure 6 PRO ECUADOR Route for the Exporter.



Source: PRO ECUADOR Official Web Page

<http://www.proecuador.gob.ec/pubs/ruta-pro-ecuador/>

PRO ECUADOR is mainly in charge of evaluating the companies in order to be able to locate them at the level of the Route to which they belong. To do this, a record according to the questions that PRO ECUADOR makes is created. Subsequently, all the data that the company provides is reviewed and finally after the analysis, the company is placed in one of the categories or levels in order to receive the services that the Route provides.

Guidance and Counseling

The first level of the route is **Guidance and Counseling**, which is primarily aimed at entrepreneurs, in other words companies that are not yet exporters and do not meet the requirements to be potential exporters. They do not yet have the knowledge of foreign trade, export processes, restrictions of international markets, registration as an exporter in the Ecuapass, the digital signature certificate or TOKEN, health records, among others, necessary to be an exporter. The companies at this level, according to the traffic light system of the route, are found in the color **red**.

In Guidance and Counseling the following points, which will be detailed below, are found:

- **Initial advice and assistance in foreign trade:** PRO ECUADOR provides companies with this service in order to help them in the event that companies at this level have a customer that is interested in their product, but this same product is abroad. They are helped by being given the necessary information so that they can export their product.
- **Introductory training:** According to the calendar found on the PRO ECUADOR website, the entity dictates different free training courses to companies, according to when they are needed. These workshops can be introductory to foreign trade or they can be specific. They are carried out in different cities of the country, in order to help the companies in the best way possible.
- **Informative guides:** They are published on PRO ECUADOR's webpage and the manual's main purpose is to help entrepreneurial companies to make an

exportation. You can find guides of the exporter, norms of labeling for food and textile products, information of international and commercial certifications according to the country and, finally, you can have access to the commercial agreements that Ecuador currently has today.

- **Easy export:** It is a tool developed mainly to support MSMEs, as it facilitates the issue of transport logistics for those companies that need to make a small shipment. Through this, you can export products with a maximum weight of 30 kilos and a value of up to 5,000 dollars (FOB) for each shipment. It works via accelerated messaging or Courier.
- **Specialized assistance for Actors of the Popular and Solidarity Economy (EPS) and Fair Trade:** PRO ECUADOR provides this assistance service to these organizations with the aim of strengthening their export capacities. These assistance projects are carried out each year jointly with different participants such as international organizations, private and public sectors, among others.

According to PRO ECUADOR "The export segment of the EPS is made up of all forms of organization of small and medium producers that market their products abroad and maintain principles of human privileges over capital accumulation. These include fair trade and ethical and responsible consumption, gender equity, respect for cultural identity, self-management, social and environmental responsibility, accountability and equitable and shared distribution of profits ". (PRO ECUADOR, 2010)

On the other hand, fair trade is encompassed in a trade association that is based on dialogue, transparency and respect. It aims to achieve greater equity in international trade, taking into account social and environmental criteria and is regulated by ten principles established by the World Fair Trade Organization (WFTO), which ranges from social to environmental issues and includes the following:

1. Creation of Opportunities for Producers in Economic Disadvantage.

2. Transparency and Responsibility - Accountability.
3. Fair Trade Practices.
4. Payment of a Fair Price.
5. No Child Labor and Forced Labor.
6. Commitment to Non-Discrimination, Gender Equality and the Economic Empowerment of Women and Freedom of Association.
7. Guarantee good working conditions.
8. Capacity Development.
9. Promotion of Fair Trade.
10. Respect for the Environment.

(World Fair Trade Organization (WFTO), 2016)

Figure 7 Main seals and international certifications.



Source: PRO ECUADOR's Official Web Page

<http://www.proecuador.gob.ec/economia-popular-y-solidaria/>

Compliance with the ten principles mentioned above can be easily demonstrated with the use of international fair trade seals and certifications for the different products that are marketed around the world.

Training and Technical Assistance

The second level of the route is **Training and Technical Assistance**, which is mainly aimed at potential exporters, that is, companies that are not yet exporters, but that already meet most of the requirements to become potential exporters. This is why this is

the level at which PRO ECUADOR provides specific help regarding what the company needs to improve in order for it to take another step and be closer to becoming an exporter.

PRO ECUADOR visits these companies at the locations where production takes place, in order to see how they work and how they make their product, among other points of their value chain. Similarly, they collect the necessary information so that in the end everything is evaluated. All of this enables them to determine what the company is missing in order to be an exporter. PRO ECUADOR helps the company to do what it needs, for example, the creation of a web page, improvement of packaging, packaging and / or labeling, as well as the appropriate design for the international market, providing any knowledge that they may lack or need, as well as specific training for different areas that are required. Certain activities, such as the improvement of packaging, if they have a small cost for the company and depending on what needs to be done, will be carried out with a co-financing from PRO ECUADOR.

When these companies are completely ready they have the possibility to approach potential importers through promotional events, both nationally and regionally. For example, there is the Macro Business Roundtable which is an event that takes place once a year in the city of Guayaquil, in which the commercial offices of PRO ECUADOR around the world (31 offices) bring to the country potential importers for several productive sectors. The companies that are selected to participate have access to a platform in which they can manage appointments with their potential clients, thus being able to participate in Guayaquil on those days and offer their products. Another event that can be accessed is the Andean Craft Congress which works in the same way as the Business Roundtable, but it is organized by the Andean Community (CAN) and is developed in the countries of the community, by rotation.

Companies at this level have access to these events and also have the possibility of being in contact with potential customers, buyers and sellers from the Andean Community countries and some countries outside the community that participate. This level, according to the route's traffic light system, is recognized with the color **yellow**.

The points that will be detailed below form part of the Training and Technical Assistance level:

- **Test of the Potential Exporter:** When PRO ECUADOR visits the companies, they do a test in which they evaluate whether the company is a potential exporter or not.
- **Specific training:** Companies belonging to the yellow level are potential exporters and through PRO ECUADOR they can access specific training to improve in whatever aspect they lack and in this way to continue to the green level and become exporters.
- **Advice for strengthening and adapting the exportable supply:** One of the main objectives of PRO ECUADOR is to promote and encourage the exportable offer of both goods and services, which is why it provides complete advice at no cost to the companies located at this yellow level. It also aims to be a guide, which is linked to foreign trade regulations and recommendations on tariff classification, in order to provide information on business opportunities and different access markets.
- **Projects and specialized information for product-market adaptation:** PRO ECUADOR provides information on the proximity of Ecuadorian products in the international market, provides necessary documents for the entry of these products in the same market, notifies about the taxes that must be paid abroad, among other issues necessary at the time of making an export.
- **National business events:** There are several business events organized by PRO ECUADOR at the national level, the most important being the Macro Business Roundtable, which takes place once a year in the city of Guayaquil. Companies

belonging to this level and potential exporters, have access to this type of event, which allows them to enter the PRO ECUADOR database and get buyers nationwide.

Commercial Promotion

The third level of the route is **Commercial Promotion**, which is mainly aimed at exporters who meet all the requirements needed to be them, or at companies that want to know new strategies to diversify their market. This phase offers the possibility of showing their products internationally to potential buyers. At this level PRO ECUADOR provides specialized advice. According to the traffic signaling system of the route, this level is identified with the color **green**.

The points that will be detailed below are part of the Commercial Promotion:

- **Inter-institutional advice:**
 - **Sectoral Dialogues:** Due to the fact that Ecuador has several productive sectors (See Table No. 5), PRO ECUADOR carries out dialogues with each of the sectors, since they are diverse and present different concerns and difficulties. The purpose of this is to specifically help each sector of the Ecuadorian economy, which are already able to export, so that their problems are adequately solved.
 - **Coordination with public and private institutions:** PRO ECUADOR with the objective of providing better assistance to the sectors, coordinates with other public and private institutions, so that in this way it can generate links between sectors and institutions and be able to have greater benefits and support in the necessary steps.

- **Development of business contacts:**
 - **Commercial opportunities:** If an importing company goes to one of the offices of the international network of PRO ECUADOR (See Table No. 6), looking for an Ecuadorian product that is not easily obtained in other parts of the world, that international office sends that commercial opportunity to Ecuador. PRO ECUADOR then searches in its database the available sectorial exporting companies. Next, it designates one that belongs to the required sector and it helps the company to export its products abroad prior to a shipment of the information of the company and a negotiation with the possible importer.
 - **Personalized business agendas:** If any export company sends its products to certain countries and it still has productive capacity, so as to not have to import to a few countries or keep its inventory for a long time, it needs to look for new buyers. In this case, companies have the option of getting new clients to market their products thanks to PRO ECUADOR, who together with the support of the commercial offices located in different parts of the world, help the company by arranging business and meetings with possible importers in a country of interest for that company exclusively.
 - **Visits to companies:** This occurs specifically when an importer wants or needs to come to the country in search of a product. PRO ECUADOR investigates the database of the companies that are in the green level and that have the product that the importer is searching for. A selection is made and the importer is sent to the most optimal companies, keeping in

mind their requirements and their interests, so that they can schedule visits and observe how the product is processed through a tour.

- **Management with Commercial Offices:** The exporters (companies in the green level) have the option of making direct arrangements with the network of commercial offices of PRO ECUADOR, both national (see Figure No. 8) and international, since they are registered in the database and can benefit from the services provided by the entity.

- **Trade promotion events:**

- **Fairs:** Every year PRO ECUADOR schedules various international fairs according to the different productive sectors. In order to access this service, employers must be registered in the system's database, receive a call to participate in the fair, and fill out an enrollment form. Subsequently, the Company Selection Committee informs the participating companies their acceptance based on their qualifications. After, the company must attend a meeting prior to the day of the fair to prepare for this day. Once at the fair, the company sets up a stand to establish commercial opportunities and to promote its products. Finally, the service is evaluated through the respective feedback forms. PRO ECUADOR covers the entire logistics area related to the event, as well as the cost of the stand, while the companies must finance the costs of travel, lodging, food and others expenses required.

- **Missions:** Trade missions are business trips that countries carry out to increase their trade with another country they visit, in order to try to win new markets. For a company to have access to this service, it must be

included in the PRO ECUADOR system database and it must also receive a call to participate in the mission and fill out the registration form. Once accepted, the company must complete a commitment document and after it has to comply with an agenda of activities previously established by the Commercial Office and the Sector Coordinator. Finally, it must evaluate the service through the mission evaluation form. This service has no cost, but as in the fairs, the company must cover the expenses of the trip, such as flights, lodging, and food, among others.

- **National and international business roundtables:** PRO ECUADOR, through the National Directorate of Export Promotion, coordinates business roundtables for the participation of multisector exporters. These are also accessible to the companies that are located in the yellow color of the PRO ECUADOR Route for the Exporter. This service has no cost if the PRO ECUADOR sector coordinator accepts the participation of the company. After, the software creates a user, which is sent to the employer's email to manage its business appointments (PRO ECUADOR, 2010).

Table 5 Productive Sectors of Ecuador.

| Sectors | |
|------------------------------------|--|
| Agroindustry | Pharmaceuticals |
| Processed foods | Cosmetics |
| Handicrafts | Flowers |
| Automotive | Non-traditional fruit |
| Banana and Musaceae | Forestry and other elaborated products |
| Cocoa and other finished products | Metal-mechanic products |
| Coffee and other finished products | Fishing and Aquaculture |
| Textiles and clothing | Plastics |

Source: PRO ECUADOR Official Website

Created by: Cobo-Delgado

Table 6 PRO ECUADOR's Network of International Offices.

| America | | Europe | Asia | Africa y the Middle East |
|-----------------|--------------|----------------|----------------|--------------------------|
| Argentina | Bolivia | Germany | Beijing-China | Dubai |
| Brazil | Canada | Spain | Canton-China | Iran |
| Chile | Colombia | France | South Korea | |
| Chicago-USA | Guatemala | Holland | India | |
| Los Angeles-USA | Mexico | Italia | Japan | |
| Miami-USA | New York-USA | United Kingdom | Russia | |
| Peru | Venezuela | Sweden | Shanghai-China | |
| | | | Turkey | |

Source: PRO ECUADOR Official Website

Created by: Cobo-Delgado

Figure 8 PRO ECUADOR's Network National Office.



| Region | Office |
|---|--|
| Region 1: Esmeraldas, Carchi, Imbabura y Sucumbíos | Tulcán – Junín y Bolívar. |
| Region 2: Pichincha, Napo y Orellana | Office in Quito – Av. de los Shyris y Holanda |
| Region 3: Pastaza, Cotopaxi, Tungurahua, Chimborazo | Office in Ambato – Noboa y Caamaño y Demetrio Aguilera |
| Region 4: Manabí y Santo Domingo de los Tsáchilas | Office in Manta – Av. Malecón Jaime Chávez Gutiérrez |
| Region 5: Santa Elena, Guayas, Los Ríos y Bolívar | Parent Office Guayaquil – Av. Francisco de Orellana |
| Region 6: Cañar, Azuay y Morona Santiago | Office in Cuenca – Calle Larga y Huaynacapac |
| Region 7: El Oro, Loja y Zamora Chinchipe | Office in Machala – Rocafuerte y Guayas |

Source: PRO ECUADOR Official Website

Created by: Cobo-Delgado

CONCLUSION

PRO ECUADOR's main objectives for producers, entrepreneurs and companies are to encourage, guide and internationalize products manufactured in Ecuador, offering specialized and high quality services. The Institute for the Promotion of Exports and Foreign Investments implements a work methodology called "PRO ECUADOR for the Exporter" to support and encourage the work of all potential exporters and thus internationalize their products.

The first stage is called "Guidance and Advice", which indicates export processes and restrictions in foreign markets. There is also access to introductory workshops to foreign trade with the support of instructional guides, market bulletins, among others.

In the next phase, specialists visit the company to evaluate its export potential, which leads to the next stage called "Training and Technical Assistance", where specialized training is offered for the redesign of products, virtual store, coaching to the exporter and packaging design. These are fundamental tools for the consolidation of an exporter,

which thus increases the acceptance of Ecuadorian products and promotes the export culture.

The third stage is called "Commercial Promotion", which shows products internationally to potential buyers through participation in business conferences, trade missions and international fairs. Sector specialists and commercial offices of PRO ECUADOR permanently assist these roundtables.

CHAPTER 3 INTERNATIONALIZATION PLAN APPLIED TO THE COMPANY BASED ON THE PRO ECUADOR ROUTE FOR THE EXPORTER.

INTRODUCTION

In this chapter, the Internationalization Plan of Fábrica de Velas Herminio Delgado Cía. Ltda. is carried out based on the PRO ECUADOR route for the exporter.

We will start with the Export Potential Test, which was applied to the company by PRO ECUADOR in 2016 in order to determine the company's situation at that time. In said Test, there are certain fields that the company fulfills and others that it only partially fulfills or does not fulfill. The mentioned evaluation placed the company in the yellow color of the Route, that is, as Potential Exporters, since they do not meet all the requirements to be exporters. This chapter will analyze the fields that the company partially complies with or does not comply with, in order to be able to carry out the internationalization plan and ensure that the company becomes a candle exporter.

The general characteristics of the product will also be mentioned, such as: the tariff heading to which it belongs, information issued by Resolution No. 020-2017 of the COMEX, and commercial statistics regarding candle exports which is information that the official page of the Central Bank of Ecuador provides.

Additionally, this chapter will analyze the fields that the company does not comply with or partially complies, such as: international certificates, technical specifications of the product, productive capacity and costs by applying the incoterms,¹ in order to identify

¹ (International Commercial Terms) "are a set of international rules of an optional nature that the International Chamber of Commerce has compiled and defined on the basis of more or less standardized practices by merchants. The INCOTERMS basically define the point at which the seller is responsible for the merchandise and what are the expenses that the seller must cover that will be included in the price" (Mare Nostrum Bank, 2016).

which are the specific points in which the company is failing and thus be able to resolve these failures to achieve internationalization.

In addition, this chapter will mention the product's exportable offer, which will contain detailed information on: the labeling, container, packaging, and the price applied to the incoterm that the company has decided on and the type of shipment.

Finally, possible business relationships will be elaborated on, such as the opportunities that PRO ECUADOR offers to the companies that are in the green level of the Exporter's Route, contact with commercial offices belonging to the international network of agencies that the entity possesses, and access to international fairs that are of interest for the company, all with the aim of exporting candles to new markets.

SITUATION OF THE COMPANY

Report by PRO ECUADOR

Pro Ecuador, through Eng. Luis Alfredo Salcedo, in charge of the zonal office of the city of Cuenca, applied the test of potential exporter to the company Fábrica de Velas Herminio Delgado on May 11, 2016. The final report issued by Pro Ecuador can be found in Annex No. 3: Velas HD Exporter Potential Test, which will be analyzed below:

The final report of the export potential test has 11 evaluation criteria, in which the company meets 8, partially meets 2 and does not meet 1.

Next, the criteria that the company complies with will be mentioned and analyzed:

- The company possesses the Foreign Trade Operator Registry² in the ECUAPASS and knows about the support documents³.
- The company has the relevant health records, which are necessary for the marketing of candles with aroma within the country.
- The factory has a sufficient supply of raw materials, which guarantees the production volume. The company restocks its products regularly since monthly purchases of international supplies and weekly purchases of national inputs are made.
- The company knows and applies the rules of packaging, container, foreign regulations and quality standards of foreign markets. The company complies with the following regulations:
 - INEN RTE 163. This Technical Regulation aims to establish the requirements that candles and similar articles must meet, in order to prevent risks to people's lives, to preserve the environment, as well as to avoid carrying out practices that may induce user errors. It should be noted that the Regulation is prepared on the basis of the international

² According to Bulletin No. 65-2013 of 06-Mar-2013 issued by the National Customs Service of Ecuador (SENAE), all Foreign Trade Operators (OCEs) must register as users in the ECUAPASS computer system, to be able to perform operations and activities related to foreign trade. Fábrica de Velas Herminio Delgado is a type of OCE "IMPORTER / EXPORTER". (National Customs Service of Ecuador, Bulletins, n.d.)

³ **Accompanying documents** "Accompanying documents are those that are referred to as prior control and must be processed and approved before the shipment of the imported goods. This requirement must be included in the legal provisions that the regulator of foreign trade establishes for this purpose" (Regulation to the Organic Code of Production, Trade and Investments) Regulation Book V, Title II.

Support documents "will form the basis of the information of the Customs Declaration to any regime. These original documents, either physical or electronic, must be stored in the declarant's or Customs Agent's file at the time of the presentation or transmission of the Customs Declaration, and will be under their responsibility as determined in the Law" (Regulation to the Organic Code of Production, Trade and Investments) Regulation Book V, Title II.

The supporting documents that the company handles are: transport document, commercial invoice or document that accredits the commercial transaction, certificate of origin and insurance policy.

standards ASTM F2417 "Standard Specification for Fire Safety for Candles" and ASTM F1972 "Standard Guide for Terminology Relating to Candles and Associated Accessory Items". Fábrica de Velas Herminio Delgado is aware of this standard and applies it, In the same way. it complies with international standards, in terms of safety standards, warnings, and labeling.

- Decision 706 issued by the Commission of the Andean Community (CAN) on the "Harmonization of legislation on domestic hygiene products and absorbent personal hygiene products" (THE COMMISSION OF THE ANDEAN COMMUNITY, 2016). In Article 2, the definition of DOMESTIC HYGIENE PRODUCT is mentioned, stating that: "It is those products that have the main function is to remove dirt, disinfect, aromatize the environment and tend to care for utensils, objects, clothes or areas that will later be in contact with people independent of his commercial presentation (...) "(THE COMMISSION OF THE ANDEAN COMMUNITY, 2016). One of the primary purposes of candles is to aromatize the environment, which is why they belong to this group. According to article 5 of the ibidem Decision, the domestic hygiene products require for their commercialization and/or importation, the Compulsory Sanitary Notification (NSO) presented before the competent national authority (National Agency for Health Regulation, Control and Surveillance, ARCSA). Fábrica de Velas Herminio Delgado has the respective mandatory health notifications for each aroma it sells.

- INEN RTE 015, this Technical Regulation aims to establish the necessary requirements for the labeling of products, to protect the health and safety of people, to prevent practices that may mislead consumers and protect the environment.

- The company has resources or commercial promotion materials, such as web pages (www.lavel.com.ec) or (www.velashd.com), social networks, such as: facebook (Lavel candles and decoration), instagram (lavel_velas), and twitter. The company manages 2 languages, Spanish and English.
- The factory has a specialized team that handles customer service in 3 languages, Spanish, English and German, in order to reach and satisfy several foreign markets.
- The company has high quality equipment and technology that allows them to optimize production and, in the same way, guarantee the quality of their products. The company has a production plant equipped with a system of electric cauldrons, molds that are renewed periodically and it has specialized machines for the finishing of the candles, among others.
- The factory currently has 2 work shifts of 8 hours, which allow it to have a higher production in order to guarantee a timely delivery of its products.

Next, the criteria that the company partially fulfills will be mentioned and analyzed:

- The personnel of the company is aware of what the incoterms are, although they have not developed their structure of cost of sales based on these and, in the same way they are not specified in the commercial invoice, as in the different payment methods.

- The company has developed technical data sheets with information regarding: aromas, weight, components, raw material, among others. However, it does not have technical specifications⁴ of the export products.

Next, the criterion that the company does not comply with will be named and analyzed:

- The company does not have international certifications related to Quality Management, Processes, Occupational Health and Safety, environmental norms and techniques such as GMP, Global Gap, ISO 9000/14000/26000, among others.

General comments of the field visit (auditor criterion)

According to the report issued by the specialist of Pro Ecuador, Ing. Luis Salcedo, the main problems of the company are: the lack of adaptation of the production plant that allows it to improve the distribution and production of the company. In the same way, he mentions that products imported from other countries such as China do not comply with the necessary regulations such as compulsory sanitary registrations.

Among the recommendations and observations of specialist Salcedo, he mentions that the company has been in the market since 1950, it is a family business of three generations. It also indicates that in the year 2000 the company starts with the development of decorative candles. In the same way, it alludes that at the time of the visit, the company invoiced 2.5 million, had its own industrial warehouse, with fifty six workers in plant and 10 in administration. As another important point, he mentions that the company works with the main supermarkets in the country, such as: Supermaxi, Mi

⁴ "They are data sheets that contain the necessary information for the manufacture of a product. Since they are documents that will be consulted in the different production processes, the data must be rigorously detailed." (Palermo, 2016)

Comisariato, among others. As a final comment, it indicates the opening of a store in the Mall del Río.

Final report and conclusions

In the final report, after carrying out a field visit to Fábrica de Velas Herminio Delgado, the specialist of Pro Ecuador, Eng. Luis Salcedo, indicated that it is in the yellow level of the Pro Ecuador Route for the exporter. Additionally, he mentioned that according to the different services that Pro Ecuador offers (applying the Pro Ecuador Route), the company must carry out specific training in the areas of failure, such as the lack of international certifications, lack of technical specifications for the export products. Also, it much develops a greater productive capacity and a structure in selling costs by applying the incoterms.

GENERAL CHARACTERISTICS

Product Tariff Heading

According to Resolution No. 020-2017 of the COMEX⁵ plenary session, adopted in a session held on June 15, 2017 and entering into effect as of September 1 of the same year, the candles belong to:

⁵The Committee on Foreign Trade (COMEX) "is the body that approves national public policies on trade policy, is a collegial body of public intersectorial nature, in charge of the regulation of all matters and processes related to this matter" (Ministry of Foreign Trade, 2016).

Table 7 Product Tariff Heading

| | |
|----------------------------|---|
| Chapter (34) | Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, cleaning preparations, candles and similar articles, modeling pastes, "dental waxes" and plaster-based preparations for dentistry. |
| Subheading (3406.00.00.00) | Candles and similar items. |

Source: Resolution No. 020-2017, of the COMEX plenary session.

Exports from Ecuador to the world

Table 8 Foreign trade statistics of goods, exports / by Sub-Party and Country Destination.

| Subhead- ing code | Subhead- ing | Destination country code | Destination country | 2013 | | | 2014 | | | 2015 | | | 2016 | | |
|----------------------|-------------------------------------|--------------------------------|------------------------|-----------------------|------------|------------------|-----------------------|------------|------------------|-----------------------|------------|------------------|-----------------------|-------------|------------------|
| | | | | MT (NET WEIGHT) | FOB | Paticip ation | MT (NET WEIGHT) | FOB | Paticip ation | MT (NET WEIGHT) | FOB | Paticip ation | MT (NET WEIGHT) | FOB | Paticip ation |
| TOTALS: | | | | 0.4 | 0.5 | 100% | 0.5 | 1.5 | 100% | 0.0 | 0.1 | 100% | 21.5 | 33.2 | 100% |
| 34060000 00 | Candles and similar items. | ABW | ARUBA | 0.1 | 0.1 | 15% | - | - | | - | - | | - | - | |
| 34060000 00 | Candles and similar items. | BHS | BAHAMAS | - | - | | - | - | | - | - | | 0.0 | 0.0 | 0,0% |
| 34060000 00 | Candles and similar items. | CUB | CUBA | 0.0 | 0.0 | 5% | - | - | | 0.0 | 0.1 | 100% | - | - | |

| | | | | | | | | | | | | | | | |
|----------------|-------------------------------------|-----|------------------|-----|-----|------------|-----|-----|-------------|---|---|--|------|------|--------------|
| 34060000 00 | Candles and similar items. | DEU | GERMANY | - | - | | - | - | | - | - | | 0.0 | 0.1 | 0.2% |
| 34060000 00 | Candles and similar items. | EST | ESTONIA | 0.3 | 0.4 | 79% | - | - | | - | - | | - | - | |
| 34060000 00 | Candles and similar items. | PER | PERU | - | - | | 0.5 | 1.5 | 100% | - | - | | 21.3 | 32.8 | 98.6% |
| 34060000 00 | Candles and similar items. | SAU | SAUDI ARABIA | - | - | | - | - | | - | - | | 0.0 | 0.3 | 1.0% |
| 34060000 00 | Candles and similar items. | URY | URUGUAY | - | - | | - | - | | - | - | | 0.1 | 0.1 | 0.2% |
| 34060000 00 | Candles and similar items. | USA | UNITED STATES | 0.0 | 0.0 | 1% | - | - | | - | - | | - | - | |

(MT and values in thousands of USD)

Source: Central Bank of Ecuador.

Table 7 shows that in 2013, the country that Ecuador exported candles and similar items to the most was Estonia, followed by Aruba, Cuba and the United States, respectively. In 2014, according to the data issued by the Central Bank, Ecuador exported only to Peru, while in 2015 it exported to Cuba. In 2016, Ecuador exported mostly to Peru, followed by Germany, Uruguay and Saudi Arabia.

According to what has been analyzed, we can conclude and recommend that Fábrica de Velas Herminio Delgado focus its first exports to the Peruvian market, since they have been the most representative importers, especially during 2016. It should be noted that as Ecuador's neighbor, Peru provides facilities and advantages in terms of logistics and transportation. Similarly, since Peru and Ecuador belong to the Andean Community (CAN)⁶, they have tariff preferences, among other benefits to foreign trade⁷.

Other interesting target markets are: Germany, Uruguay and Saudi Arabia, because although they do not have high statistics, it can be observed that in 2016 the exports to these countries began.

⁶ It is a community of countries united voluntarily with the objective of achieving an integral, more balanced and autonomous development, through Andean, South American and Latin American integration. The countries that integrate it are: Bolivia, Colombia, Ecuador and Peru. The Andean integration process began with the signing of the Cartagena Agreement on May 26, 1969 (Andean Community, who are we).

⁷ **Benefits to foreign trade:**

Tariff Nomenclature: "The common NANDINA nomenclature facilitates the identification and classification of goods" (Andean Community, Customs, s.f.).

Customs Regime: "It is the customs treatment applicable to the goods, requested by the declarant, in accordance with the customs legislation in force" (ARTICLE 2 OF REG. TO BOOK V OF THE COPCI).

"The Andean norms on customs regimes allow the harmonization of procedures and formalities required in the entry and exit of goods and means of transport, as well as in the customs destination of the goods to a regime or customs operation, having been adopted at Andean level the **Single Customs Document - DUA**"(Andean Community, Customs).

Integrated Andean Tariff (ARIAN): "The ARIAN, approved through Decision 657, is a system that allows collecting, validating and incorporating into a database all the information and regulations generated by the decision-making bodies of the Andean Community for designate the goods that are subject to specific regulations. The ARIAN, which is based on the Common Nomenclature - NANDINA, is established as a tool to facilitate the dissemination and application of the common external tariff, of foreign trade statistics and of the relative Community policies and measures "(Andean Community, Customs, sf).

Customs Valuation: "The Andean Customs Valuation norms allow the Member Countries to have a common normativity for the determination of the taxable base of the customs duties and taxes applicable in the importation of merchandise, counting with an Andean Declaration of the Value - DAV which provides information on the commercial transaction "(Comunidad Andina, Aduanas, nd).

Community Customs Transit: "The Member Countries of the Andean Community have been applying, since January 2006, Decision 617 modified by Decision 636 on Community Customs Transit, a customs regime that allows to transfer goods from a Customs Office under a single operation. Member to the Customs of another Member Country, in the course of which they cross one or several borders of the Member Countries "(Andean Community, Customs, sf).

PRO ECUADOR TRAINING

Specific Training and Advice by PRO ECUADOR

Fábrica de Velas Herminio Delgado is currently at the stage of "Training and Technical Assistance", which is identified with yellow, according to the traffic light system of the PRO ECUADOR's route exporters. Pro Ecuador provides specific training for companies within this color in order to reinforce both the criteria that companies partially meet, as well as those that do not comply with the Potential Exporter Test (See Annex No. 3: Potential Exporter Test HD candles).

In the next section, the criteria that the company partially complies with and does not comply with will be exhaustively analyzed in order to apply the specific training provided by the entity Pro Ecuador to overcome the shortcomings identified in the test and to ensure that the company is ready to become international.

International certifications related to Quality Management, Processes, Health and Occupational Safety

According to the Dictionary of the Royal Academy of the Spanish Language, the word certification is "A document in which the truth of an event is assured" (Royal Spanish Academy, 2014). According to Pro Ecuador, International Certificates: *"are the seals and/or private certifications required by some importers or buyers worldwide. These seals or certifications respond to the client's requirements and are not required by the authorities of the country of destination"* (PRO ECUADOR, 2017).

The certifications are granted by different specialized institutes or international companies, which after an investigation and inspection, award quality certificates, whose main objective is to generate trust among the clients and thus be able to attract new international markets.

Although international certifications are not obligatory, these have become a necessary requirement to be able to access certain international markets, because consumers seek to obtain products that are economically, socially and environmentally responsible. Nowadays, it is a priority for companies to create trust throughout the entire value chain, which is why they seek to obtain such certifications.

One of the best known international certifications used worldwide are the standards of the International Organization for Standardization (ISO), which is responsible for developing and publishing international standards. One of the most popular standards are ISO 9000 quality management, "Standards provide guidance and tools for companies and organizations that want to ensure that their products and services consistently meet customer requirements, and that quality improves steadily. " (International Organization for Standardization, n.d.)

Currently "Fábrica de Velas Herminio Delgado Cía. Ltda." does not have international certifications; however, it is the first medium sized company in Cuenca to have received "My First INEN Certificate" which encourages MSMEs to improve the quality of its business management. This certificate was granted on September 28, 2017 by the Ecuadorian Normalization Service (INEN). (*See Annex 4 First Cuencana Company to receive "My First INEN Certificate"*).

The company object of this analysis had to go through an audit, complying with legal requirements, related issues with "customer service and suppliers, management of productive and commercial processes, product preservation, sales management, also security concepts and occupational health, among others. The companies that obtain this certification and develop improvement processes, are able to obtain the INEN Quality Seal" (Ecuadorian Standardization Service, 2017).

Other international certifications:

- **SA-8000:** The American organization of International Social Responsibility (Social Accountability International-SAI) created a voluntary certification in order to promote better working conditions. "The SA8000 certification is based on international agreements on working conditions, which include issues such as: social justice, workers' rights (...) freedom of association and collective bargaining (...), rules regarding the duration of the day labor, wages, the fight against discrimination and child or forced labor" (United States International Social Responsibility Organization, 2014).
- **OHSAS 18001** assists companies of any nature, during the implementation and operation of Occupational Health and Safety Management Systems. This regulation establishes the minimum requirements for companies to achieve better practices, allowing the organization to control their risks and improve their performance.

Technical Sheets of the Export Product

A technical sheet is a document in which a detailed description of the technical characteristics of an object or product is presented. Generally these contain information such as: "the name, physical characteristics, the mode of use or processing, distinctive properties, test methods and technical specification comes" (Icontec International, 2016).

One of the main benefits of implementing technical specifications is that the clients are informed and receive a brief explanation about the characteristics of a certain product. In this way, consumers can clearly understand the qualities a product has, thus providing more confidence and security for the good.

According to the Potential Exporter Test, the company has developed technical data sheets with information regarding aromas, weight and components. It also has technical sheets of the imported raw material. Currently the factory has a plan to implement technical specifications per product, which will give customers the knowledge of exactly what the candles contain.

Sufficient Production Capacity to Satisfy Market Demands

According to the Potential Exporter Test conducted on May 11, 2016, the company manufactured 5 tons of candles per day and 150 tons per month, so by the date indicated above, the company used 30% of its productive capacity.

In early 2017 the company invested in the purchase of a new industrial warehouse, as well as machines and high technology tanks, which has allowed it to have a higher production capacity. Thanks to the expansion made, it has been possible to better satisfy the demand within the candle market.

Export prices of structured products according to Incoterms.

The Incoterms (IN-ternational CO-mmerical TERMS) are a set of international negotiation terms which were created by the International Chamber of Commerce (ICC) in order to facilitate global negotiations between traders. These "define obligations and rights of the buyer and seller, describe the tasks, costs and risks involved in delivering merchandise from the seller to the buyer, provided that the Incoterm 2010 is established in the sales contract" (PRO ECUADOR, 2010). They basically specify the exact place to which the seller is responsible for the merchandise.

The incoterms mainly regulate four fundamental aspects such as: the distribution of expenses, the delivery of the merchandise, the transmission of risks and finally, the customs procedures.

Classification of Incoterms according to their group.

Group E: Departure

- EXW (Ex-Works): "Factory" or named place.

Group F: Indirect delivery, without payment of main transport. FCA (Free Carrier): “franco transportista” o lugar convenido.

- FAS (Free Alongside Ship)
- FOB (Free On Board)

Group C: Indirect delivery, with payment of the main transport.

- CFR (Cost and Freight)
- CIF (Cost, Insurance and Freight)
- CPT (Carriage Paid To)
- CIP (Carriage and Insurance Paid To)

Group D: Direct delivery on arrival.

- DAT (Delivered At Terminal)
- DAP (Delivered At Place)
- DDP (Delivered Duty Paid)

Figure 9 Incoterms 2010.

| Incoterms 2010 | Incoterms 2010 | | | | | | | | | | | |
|--------------------------|-------------------|-----------|------------------------|--------------|--------------------------|-----------------------|---------------------|--------------------------|---------------------|--------------------------|---------------|--------------------------|
| | Mode of transport | Packaging | Loading from warehouse | Pre-Carriage | Export customs clearance | Handling at departure | Main transportation | Transportation insurance | Handling at arrival | Import customs clearance | Post-carriage | Unloading into warehouse |
| EXW Polyvalent | Yellow | Black | Black | Black | Black | Black | Black | Black | Black | Black | Black | Black |
| FCA Polyvalent | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black | Black | Black | Black |
| FAS Maritime | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black | Black | Black | Black |
| FOB Maritime | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black | Black | Black | Black |
| CPT Polyvalent | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black | Black |
| CP Polyvalent | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black |
| CFR Maritime | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black | Black |
| CF Maritime | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black | Black |
| DAT Polyvalent | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Black | Black | Black |
| DAP Polyvalent | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Black | Yellow | Yellow | Yellow |
| DDP Polyvalent | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow | Yellow |

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| | | | | | |
|--------|--------|-------|-------|--------|--------------|
| Yellow | Seller | Black | Buyer | Yellow | Seller/Buyer |
|--------|--------|-------|-------|--------|--------------|

Source: International Chamber of Commerce, Obligations, Costs and Risks, ICC Publication No. 715S

Citation: (Spanish Committee of the International Chamber of Commerce, 2010)

According to the Export Potential Test, "the company knows what the international negotiation terms are, although it has not developed their sales cost structure by applying them".

Currently, the factory knows and has structured the export prices of its products considering the Incoterm Exwork in the factory, which means that the seller completes the delivery when the

goods are at the disposal of the buyer in the seller's premises or in another agreed place (workshop, factory, warehouse, among others), without dispatching it for export, or loading it into a receiving vehicle.

Said incoterm entails minimum obligations for the seller, and maximum assumption of costs and risks for the buyer. Ex work is the only Incoterm in which, "the seller does not send to the customs office of export, nevertheless it must provide the help and the necessary documents for it" (Cormeseg, 2010).

Additionally, the company developed its commercial invoice for export, which is an essential document in which the conditions of sale are set. It serves as proof of sale and commercial contract. Among the relevant data included in a commercial invoice are the following: date of issue, name and address of the exporter and the foreign importer, description of the merchandise, payment terms and delivery terms.

EXPOTABLE SUPPLY

The Product

“Fábrica de Velas Herminio Delgado” has a wide range of products related to candles and decoration. Candles are the company’s main product, since it has a wide variation of models, colors and aromas. For the present proposal, the collection of candles with fruit and tropical aromas have been selected. The brand this collection will use is Lavel, since it has a greater added value.

Selected aromas and colors

The selected aromas for the fruity and tropical collection are: passion fruit, tropical paradise and strawberry. A brief description of them will be provided below.

Table 9 Description of aromas and colors.

| Name of the aroma: | Description: | Selected color for the label and packaging: |
|---------------------------|--|--|
| Passion fruit | The passion fruit essence is characterized as refreshing, exotic and fruity. | Yellow |
| Strawberry | Strawberries are a bright red fruit that have a fresh and tropical fragrance. It is an aroma that sweetens life, both for love and friendship. | Red |

| | | |
|-------------------|--|--------|
| Tropical Paradise | It is the perfect blend of exotic and tropical scents and aromas. It is ideal for any space. | Purple |
|-------------------|--|--------|

Created by: Cobo-Delgado

Container

The container selected for the collection has a curved shape with a lid, which gives it a very attractive aesthetic detail that is unique in the market. The material is ground glass giving a touch of elegance.

Figure 10 Container sample



Figure 11 Container description

| | |
|------------------------------|---------------|
| Size (centimeters): | 10x10 |
| Weight (grams): | 293.5 |
| Material: | Frosted glass |
| Weight with filling (grams): | 500.5 |

Source: Technical sheet on the container.

Label and packaging.

Figure 12 Sample of the label and packaging



The label that is attached to the container has a rectangular shape with tips, onto which the LAVEL logo is printed on. Additionally, it displays the name of the aroma of the candle. The net content is specified in a small rectangle at the bottom of the label.

As for the packaging, it is a box of: 9cm x 9cm x 8cm (length x width x height), and in the center is the same rectangular shape of the label. The packaging has an attractive design with patterns of tropical leaves and flowers, crossed from top to bottom with a strip of the same color of the top cap, which depends on the aroma of the candle.

On the bottom of both the box and the container are the warnings and precautions, as well as the general data of the company, such as: its address, telephone and social networks. Additionally, it specifies the sanitary notification of the aroma of each product.

Figure 13 Sample of the structure of the box



Packaging

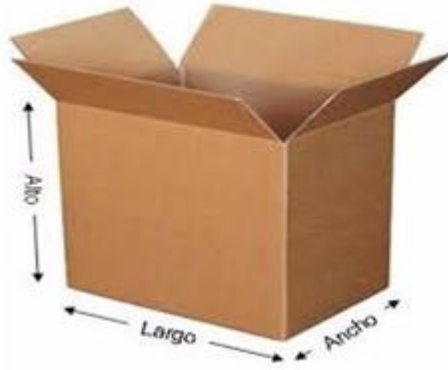
The packaging is essential for the protection and transport of the product. In this section the product's packaging process will be graphically detailed.



First, the boxes containing the product are packed in a 32cm long by 24cm wide and 10cm high box, which can hold up to 6 units as shown in the image. The total weight of the box is 3.46 kilos.



This box has the name of the company printed on it, as well as its official logo. In the same way, the general information of the company is specified, such as: address and telephone numbers. On the side of the box there is a space to put the units that the box holds and the handling and transport symbols.



Finally, the boxes are packed inside a master box, which measures 50cm long, 40cm wide and 36cm high. It holds a total of 6 boxes, so it has a total weight of 20.76 kilos.

Export price

According to Pro Ecuador, the export price *"is the price or value of the product set for sale to a foreign customer, which allows it to recover the costs incurred in manufacturing the product (raw material, administrative expenses , export procedures) plus the profit or benefit to be obtained with the international sale of the product"* (PRO ECUADOR, 2018).

It is recommended that the company fix the price of the product according to the incoterm Ex work. As already mentioned, this determines that the seller makes the delivery when he puts the goods at the disposal of the buyer in their establishment or in another agreed place, without dispatching it for export, nor loading it in a receiving vehicle. The only obligation that the seller has is to provide the necessary documents for the export, such as the invoice.

Next, a proposal of a tentative export price is presented:

Table 10 Production Costs

| Description: | Cost: |
|---------------------------------------|----------------|
| Raw Material | \$ 0.98 |
| Workforce | \$ 0.50 |
| Labeling and filling the container | \$ 2.45 |
| Packaging | \$ 0.30 |
| Other expenses | \$ 0.50 |
| | \$ 4.73 |

Source: Fábrica de Velas Herminio Delgado

Created by: Cobo Delgado

The production cost is \$4.73. However, a 20% profit is recommended plus 2% for financial expenses and 2% for contingencies. As a result, the tentative Ex work price would equal \$5.87.

BUSINESS CONTACTS: PROECUADOR

Business opportunities

One of the biggest business opportunities that this Company can take advantage of due to its position in the PRO ECUADOR Route for the Exporter is the Macro Business Conference, a multisectorial event which is held annually in Guayaquil and is organized by PRO ECUADOR.

One of the main objectives of the Macro Business Conference is to integrate new actors into foreign trade, which are basically small companies that do not have much access with international buyers. Through this meeting, they have the opportunity to offer their products to foreign consumers.

Several Ecuadorian MSMEs have achieved the internationalization of their products by gaining access to different markets and becoming new exporters thanks to this event, in which "more than 600 national exporters participate, who represent the 16 sectors of the Ecuadorian exportable supply and 180 buyers from 34 countries" (PRO ECUADOR, 2017).

Contact with commercial offices

PRO ECUADOR has thirty-one commercial offices that are part of the international network (see Table No. 6). Of all the agencies that PRO ECUADOR has around the world, the Factory is most interested in establishing contact with offices located in Peru, Germany, Uruguay and Saudi Arabia since they are located in the countries that import more candles from Ecuador, which is why they promote the exportable offer and generate activities for the promotion and attraction of investments.

International fairs

International fairs, nowadays, make up one of the most effective and profitable commercial promotion tools that companies have.

To participate in international fairs, companies must meet certain requirements, such as: having a product that meets the requirements of the international market, a marketing plan for each target market, promotional and technical material of the company and/or product, and finally previous meetings with potential clients must be carried out.

Table 11 International Multisector Fairs 2018

| International Multisector Fairs 2018 | | | | | |
|--------------------------------------|---------------------|----------------|---|----------------------|--|
| Name | Place | Date | Fair Characteristics | Type of activity | Source |
| ExpoWalmart | San Jose-Costa Rica | February 7 & 8 | EXPOWALMART 2018 is the ideal platform to make direct contact with general managers, store managers and with the commercial and executive area of Walmart Mexico and Central America, within this exhibition companies will have business appointments in which they can provide important information of its products, designs, varieties, launches, etc. | In-person exhibition | Pro Ecuador and Official ExpoWalmart Website |
| Andean Business Encounter | Arequipa-Peru | May 9 & 10 | The entities of Commercial Promotion of the Andean countries Promueve Bolivia, Pro Colombia, ProEcuador and PromPeru, together with the General Secretary of the Andean Community, invite to participate in the Andean Business Meeting, the most important event of the CAN. Its purpose is to promote employment, production and Andean trade, as well as generating relationships and alliances with intra-regional business partners but also with the European Union and the United Kingdom. | Business conference | Andean Business Encounter official Website |
| APAS SHOW | Sao Paulo-Brazil | May 7-10 | Globally recognized as the largest supermarket fair today, the APAS Show brings together the entire supermarket chain in Brazil and abroad in a fully segmented event, with exhibitors from various countries. In addition to being a meeting to start business and commercial relations, the APAS Show is a great opportunity to learn about product launches, the latest developments and market trends. It is the perfect opportunity to be among the biggest in the market and expand business prospects. | In-person exhibition | APAS Show official Website |

| | | | | | |
|--|-------------------|----------|---|----------------------|--|
| Macro Business Conference Ecuador /Macrorrueda | Guayaquil-Ecuador | June | The Macrorrueda, is considered the largest event in Ecuador. It has a duration of two days, in which meetings are held between Ecuadorian exporters and foreign buyers, to achieve the goal of millions of dollars of sales and business commitments. | Business Conference | Ministry of Foreign Trade official Website |
| FIHAV | La Habana-Cuba | November | <p>FIHAV, Cuba's most important multisector trade show, has been running continuously since 1983, and is considered among the most representative in Latin America and the Caribbean. In its last edition, FIHAV, received 3,800 foreign exhibitors from 73 countries, 25 official delegations from various countries and 85 Chambers of Commerce and organizations promoting trade and investment. FIHAV received around 150,000 professional visitors and general public.</p> <p>During five days at FIHAV, exhibitors, buyers, and specialists of all sectors of the Cuban economy converge and a wide and varied international commercial sample of the five continents propitiating a business climate with business meetings, business rounds, seminars, conferences, among other activities.</p> | In-person exhibition | Habana Fair official Website |

Source: Various (See source in table 11)

Created by: Cobo-Delgado

CONCLUSION

Pro Ecuador applied the potential exporter test to the company Fábrica de Velas Herminio Delgado, thanks to the Engineer Luis Alfredo Salcedo who is in charge of the zonal office of the city of Cuenca, it has eleven evaluation parameters, of which the company complies with eight, with two partially and it only does not meet 1 parameter. As a result, the company is at the yellow level of the PRO ECUADOR Route for Exporters.

This chapter is based on the criteria that the company partially complies with and does not comply with, in order to resolve these issues and thus ensure that the company complies with the specifications of Pro Ecuador and has the potential to become an exporter.

Among the criteria mentioned are: the lack of International Certifications related to Quality Management, Processes, Health and Occupational Safety. Although the company does not currently have such certifications, it was the first company in Cuenca to receive "My First INEN Certificate", which was granted by the Ecuadorian Service of Normalization (INEN) and encourages MSME to improve the quality of its business management.

As a conclusion and personal perception, we believe that international certificates are not yet a priority for the company, since they have a very high monetary value and a duration of only two to five years, which is why it would not be an investment that the company will make for the time being. Another criterion that was analyzed was the lack of export product technical sheets. In order to meet this specification, the company made several specific technical sheets regarding aromas, weight, components, production times and material. Additionally, the company currently has technical data sheets for customers, in order to inform and provide a brief explanation about the characteristics of the product.

In addition, the company had the challenge of maximizing its productive capacity, which is why it invested heavily in the purchase of a new industrial warehouse and machines with state-of-the-art technology, in order to satisfy market demands.

Finally, the company had not previously developed its price structure based on the incoterms. However, nowadays the Factory knows and has structured the export prices of its products considering the Incoterm Exwork, which means that the seller makes the delivery when he delivers the goods to the buyer in the establishment of the seller or in another agreed place (workshop, factory, warehouse, among others), without dispatching it for export, or loading it in a receiving vehicle. Additionally, the company has developed a commercial invoice to export.

In addition, the tariff subheading of the product (3406.00.00) was specified, which refers to: candles and similar articles. In the same way, exports from Ecuador to the world from 2013 to 2016 were analyzed, concluding that a possible target market would be Peru.

Fábrica de Velas Herminio Delgado has a wide range of products related to candles and decoration. Candles are the potential product of the company, since it has a wide variation of models, colors and aromas. In this chapter, the specific export product was selected, determining its aromas, container, label, packaging, among others.

On the other hand, it was determined that PRO ECUADOR facilitates the internationalization of MSME through business contacts, such as opportunities to attend Business Roundtables, International Fairs, Commercial Missions. This is possible with the help and support of the international commercial offices that the entity has in different countries of the world, which promote foreign trade by promoting the exportable offer of the country around the world.

CONCLUSIONS AND RECOMMENDATIONS

After having concluded the present plan of internationalization of the company, we can determine that Fábrica de Velas Herminio Delgado Cía. Ltda. can export through the PRO ECUADOR Route for Exporters, which a viable export entity that can be applied to not only the analyzed company, but any other MSMEs in the country. As already mentioned in the first chapter, according to the "Directory of Companies and Establishments", in 2016, 99.54% of the companies were MSMEs, while large companies accounted for only 0.46%; Therefore, we conclude that with the appropriate support and guidance, the MSMEs can become big exporters of new, high quality and innovative products and in this way diversify Ecuador's exportable offer to the world.

The Ecuadorian family business "Fábrica de Velas Herminio Delgado Cía. Ltda." has been present in the local market for fifty years. Currently, the company has 78 employees, provides the market with more than ten product lines and serves the main supermarket chains and decoration stores nationwide. It should be noted that innovation and quality are a priority for the company, which is why the products have a great variety in: models, colors and aromas, giving the product the highest possible added value. Therefore, we consider that this company is ready to take a step forward and internationalize its products.

The Institute for the Promotion of Exports and Investments, better known as "PRO ECUADOR", is an Ecuadorian public entity that is in charge of promoting exports and investments in the country, in order to promote the offer of Ecuadorian products to international trade, through their internationalization.

This entity, as analyzed in chapter 2, is responsible for the implementation of the PRO ECUADOR route for the Exporter", which through a traffic signaling system it

establishes criteria for the position of different companies in colors such as: red, yellow and green. Its goal is for the economic agents that are in red to become green. It should be clarified that there are levels of advising and addressing: the first, focuses on the "Orientation and Advice", which is aimed at entrepreneurs. The second level is based on "Training and Technical Assistance", which focuses on potential exporters, and finally, in the third level we find the "Commercial Promotion", which focuses on exporters. All these levels are related, respectively, to the colors indicated, which has the sole purpose of promoting foreign trade through the internationalization of the MSMEs, with its participation in the export field.

Thanks to the Potential Exporter Test that PRO ECUADOR applied to the Factory, we were able to identify its main flaws and the reasons why the company has not been able to go from the yellow level (Export Potential) to the green level (Exporter).

In chapter 3, the criteria that the company has had to work on and continues to work with in order to become an exporter were thoroughly analyzed.

Among the criteria analyzed are the lack of International Certifications related to Quality Management, Processes, Health and Occupational Safety and the company's lack of these certifications. However, it was mentioned that the company was the first to receive "My First INEN Certificate". As a conclusion and personal perception we believe that international certificates are not yet a priority for the company, since they have a very high monetary value and last only two to five years, which is why the company will not invest in them.

Regarding the lack of the export product's technical specifications, the company elaborated several technical specifications regarding aromas, weight, components, production times and material. Additionally, the company currently has technical data sheets for the clients in order to inform and provide a brief explanation about the characteristics of the product.

Additionally, the company made a strong investment in 2017 with the purchase of an industrial warehouse and new machinery, which allowed to maximize its productive capacity and satisfy market demands.

Finally, the company developed its pricing structure based on the incoterms, and also developed its commercial invoice for export.

In chapter 3 the export product was selected, which is innovative and competitive in the international level. Tropical aromas were selected that give the product added value in foreign markets. In the same way, the container, label, packaging, and other characteristics of the product were determined.

On the other hand, it was shown how PRO ECUADOR facilitates the internationalization of MSMEs through business contacts, such as opportunities to attend Business Roundtables, International Fairs, Commercial Missions, with the help and support of international commercial offices.

As a conclusion and final recommendation, we suggest that the company analyzed should put into practice this internationalization plan through the PRO ECUADOR Route for the Exporter. Likewise, we invite the MSMEs of Ecuador to rely on PRO ECUADOR and to expand their borders and go international. This is because, although it is a risky move, the subsequent benefits have no limits.

GLOSSARY

Tariff: *"It is a tax that is applied to the goods subject to importation" (PRO ECUADOR, 2018).*

International Certificates: *"These are the seals and / or private certifications required by some importers or buyers worldwide. These seals or certifications respond to the client's requirements and are not required by the authorities of the target country" (PRO ECUADOR, 2018).*

Tariff Classification: *"It is a system that allows the identification of merchandise that is marketed internationally, through a numerical code" (PRO ECUADOR, 2018).*

Export Customs Declaration: *"Form in which the exports that any authorized person wishes to make are registered. The Export must be presented in the customs district (12 districts in the country) where the export is formalized together with the accompanying documents and support that are necessary" (PRO ECUADOR, 2018).*

Ecuapass: *"It is the Ecuadorian customs system that will allow foreign trade operators to perform all their import and export customs operations" (National Customs Service of Ecuador, Frequently Asked Questions, 2017).*

Export: *"It is a customs regime (Regime 40) that allows the definitive exit of merchandise in free circulation, outside the territory or of the special zone of economic development" (PRO ECUADOR, 2017).*

Exporter: *"Person or company authorized by the National Customs Service to sell a product from one country to another"* (PRO ECUADOR, 2017).

Electronic signature: *"Data in an electronic form consigned in a data message, attached or logically associated to it, that can be used to identify the owner of the signature in relation to the data message, and indicate that the owner of the signature approves and recognizes the information contained in the data message. The electronic signature will have equal validity and will have the same legal effects as a handwritten signature in relation to the data recorded in written documents. It will also be admitted as evidence in trial"* (Central Bank of Ecuador, Firma Electrónica, 2017)

Importer: *"Person who introduces products in a country"* (PRO ECUADOR, 2018).

Internationalization: *"the expansion of private companies or their markets beyond borders or to regions or countries in different geographical locations"* (Meza Gonzáles, 2015).

MSMEs: *"are the set of small and medium enterprises that according to their volume of sales, social capital, number of workers, and their level of production or assets have characteristics of this type of economic entities"* (Internal Revenue Service, n.d.)

Export Price: *"is the price or value of the product set for sale to a foreign customer, which covers the costs incurred when manufacturing the product (raw material, administrative expenses, procedures for export) as well as the profit or benefit obtained with the international sale of the product"* (PRO ECUADOR, 2018).

PRO ECUADOR route for the Exporter: *"it is a signaling system that consists of determining if users are found in the red, yellow or green levels. The red traffic light applies to companies at the entrepreneur level, the yellow traffic light applies to companies at the export potential level and the green traffic light applies to export companies. All levels receive differentiated services to their capacity and to achieve the passage from one level to another it is necessary to meet certain criteria. For example, to change from yellow to green, the export potential test is applied, the result of which allows defining what the company should improve or develop"* (PRO ECUADOR, 2010).

National Customs Service: *"Body of the competent public administration, which facilitate foreign trade to apply customs legislation and its complementary regulations"* (PRO ECUADOR, 2018).

Harmonized System: *"Orderly and progressive system for the designation and classification of merchandise"* (PRO ECUADOR, 2018).

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ANNEXES

Annex 1 Registration title of the PRODUCT BRAND, Velas HD

Instituto Ecuatoriano de la Propiedad Intelectual


IEPI

Dirección Nacional de Propiedad Industrial **Título N° 3308-11**

En cumplimiento a lo dispuesto en la Resolución N° 104986 de 23 de mayo de 2011, se procede a **OTORGAR** el título que acredita el registro de la **MARCA DE PRODUCTO**, trámite número 238035, de noviembre 23 de 2010.

| | |
|--|--|
| DENOMINACIÓN | Velas HD + LOGOTIPO |
| PRODUCTOS O SERVICIOS QUE PROTEGE | Velas para uso doméstico. CLASE INTERNACIONAL 4 |
| DESCRIPCIÓN DEL SIGNO | Igual a la etiqueta adjunta con todas las reservas que sobre ella se hacen. |
| VENCIMIENTO | 23 de mayo de 2021 |
| TITULAR | FABRICA DE VELAS HERMINIO DELGADO CIA. LTDA. |
| DOMICILIO | AV. CORNELIO VINTIMILLA, NAVE 202, MODULO 201-202 ENTRE OCTAVIO CHACON Y CARLOS TOSI, CUENCA - ECUADOR |
| REPRESENTANTE LEGAL | DELGADO MORENO, GUSTAVO EDUARDO |

Quito D.M., 3 de junio de 2011


Ab. José Manuel Martínez Vera
DIRECTOR NACIONAL DE PROPIEDAD INDUSTRIAL.

lcg



Annex 2 Registration title of the PRODUCT BRAND, Lavel

Instituto Ecuatoriano de la Propiedad Intelectual



Dirección Nacional de Propiedad Intelectual

Título N° 6594-10

En cumplimiento a lo dispuesto en la Resolución N° 92437 de 19 de marzo de 2010, y en virtud de la delegación de 20 de marzo de 2009, contenida en la Resolución No. 017-2009-DNPI-IEPI, se procede a OTORGAR el título que acredita el registro de la MARCA DE PRODUCTO, trámite número 220982, de octubre 27 de 2009.

DENOMINACIÓN LAVEL + LOGOTIPO

PRODUCTOS O SERVICIOS QUE PROTEGE Todos los productos de la clase, especialmente la fabricación de velas.
CLASE INTERNACIONAL 4

DESCRIPCIÓN DEL SIGNO Igual a la etiqueta adjunta con todas las reservas que sobre ella se hacen.

VENCIMIENTO 19 de marzo de 2020

TITULAR FABRICA DE VELAS HERMINIO DELGADO CIA. LTDA.

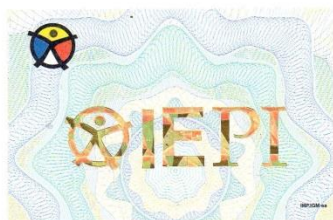
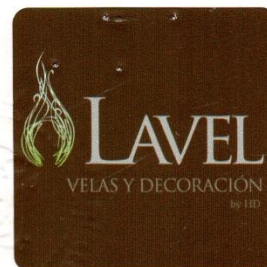
DOMICILIO AV. CORNELIO VINTIMILLA, NAVE 202, CUENCA - ECUADOR

REPRESENTANTE LEGAL DELGADO MORENO, GUSTAVO EDUARDO

Quito D.M., 15 de diciembre de 2010


Dra. Sujei Torres Armendáriz
EXPERTA PRINCIPAL EN SIGNOS DISTINTIVOS

R.M.S.



Annex 3 Potential Exporter Test Candles HD



| | | | | | |
|--|--|----------------------------|----------------------------|------------------|---|
| NOMBRE EMPRESA AUDITADA: | FABRICA DE VELAS HERMINIO DELGADO CIA. LTDA. | | | | |
| RUC: | 0190106306001 | | Nombre de contacto: | Gustavo Delgado | |
| Sector y producto: | Artesanías | | Fecha: | 11/05/2016 | |
| Marcar [x] el mercado al cual desea ingresar | Unión Europea | | Asia: | | |
| | Estados Unidos | X | Resto del mundo: | Colombia | |
| <i>Información de la empresa</i> | CUMPLE | CUMPLE PARCIALMENTE | NO CUMPLE | NO APLICA | OBSERVACIONES / COMENTARIOS |
| La empresa cuenta con registro de Operador de Comercio Exterior en ECUAPASS y conoce sobre elaboración y emisión de documentos de soporte y acompañamiento a través del mismo (DAE, DJO, CO, Certificados varios) | X | | | | CUENTAN CON FIRMA ELECTRONICA. ESTAN ACTUALMENTE REGISTRADOS EN ECUAPASS COMO IMPORTADORES. CONOCEN SOBRE ELABORACIÓN DE DA, DJO, CO |
| Según la naturaleza de su producto, el mismo cuenta con certificación fitosanitaria, registro sanitario, certificación zoosanitaria, etc? | X | | | | CUENTAN CON NOTIFICACIÓN SANITARIA PARA VELAS CON AROMAS |
| Su empresa conoce y sabe estructurar los precios de exportación de sus productos (FOB, CIF, DDP, etc). (Considerar que los Incoterms son especificados en la factura comercial como en los diferentes instrumentos de pago) | | X | | | CONOCEN LO QUE SON LOS TÉRMINOS DE NEGOCIACIÓN INTERNACIONAL AUNQUE NO HAN DESARROLLADO SU ESTRUCTURA DE COSTOS DE VENTAS EN LOS MISMOS |
| 1.-La empresa cuenta con suficiente capacidad de producción / cosecha para satisfacer las demandas del mercado. (diario, semanal, mensual). 2.-Según la naturaleza de su producto, especificar la unidad de medida: unidades, kilogramos, toneladas | | | | | 1. 3 toneladas por día 150 toneladas mes. 30% de capacidad productiva actualizada 2. Toneladas |
| La empresa cuenta con un abastecimiento de materias primas que le permiten asegurar el volumen de producción (Materias primas importadas o nacionales). Indicar períodos de abastecimiento (diario, semanal, mensual) | X | | | | No tiene problemas en abastecimiento de materia prima. Compras mensuales. Componente nacional los empaques |
| Conoce usted las normas de empaque, embalaje, etiquetado, regulaciones extranjeras, estándares de calidad de los mercados externos? | X | | | | Cumplen con normativa INEN RTE 163. DECISIÓN 706 CAN Notificación sanitaria. Rotulado INEN RTE 013 2006 |
| La empresa cuenta con recursos o materiales de promoción comercial (Sitio Web, marca, folletos, tarjetas de presentación, etc.) en idioma manejado en el mercado destino. | X | | | | Cuentan con página web [www.level.com.ec], www.velashd.com. Facebook level velas y decoración. Manejan el idioma Inglés y español |
| <i>Información complementaria</i> | CUMPLE | CUMPLE PARCIALMENTE | NO CUMPLE | NO APLICA | OBSERVACIONES / COMENTARIOS |

| | | | | | |
|--|--|---|---|--|--|
| La empresa cuenta con certificaciones internacionales relacionadas con Gestión de Calidad, Proceso, Salud y Seguridad Ocupacional, normas ambientales y técnicas como GMP, Global GAP, HACCP, ISO 9000/14000/26000, TAG4919, CE-marking, SA-8000, OSHAS 18001, BPM, Orgánica, entre otras. | | | X | | |
| La empresa cuenta con fichas técnicas del producto(s) que desea exportar. | | X | | | HAN DESARROLLADO FICHAS TÉCNICAS CON INFORMACIÓN REFERENTE A AROMAS, PESO, COMPONENTES, CUENTA CON FICHAS TÉCNICAS DE MATERIA PRIMA IMPORTADA |
| La empresa cuenta con una / varias personas dedicadas al servicio al cliente que manejen el idioma del mercado objetivo? | X | | | | AUXILIAR DE GERENCIA (HIJO DE PROPIETARIO) |
| La empresa cuentan con equipos que le permitan optimizar recursos y asegurar calidad del producto | X | | | | LA PLANTA PRODUCTIVA DE LA EMPRESA CUENTA CON UN SISTEMA DE CALDEROS A VAPOR PERMITE OBTENER PARAFINA (SISTEMA SERÁ SUSTITUIDO POR CALDEROS ELÉCTRICOS), CUENTA CON MAQUINAS DE MOLDEO PARA VELAS. MAQUINAS DE EMPAQUES PARA TERMINADO |
| La empresa puede variar sus horarios en sus procesos de producción a fines de garantizar una entrega oportuna de sus productos | X | | | | FLEXIBLE ACTUALMENTE TRABAJAN EN DOS TURNOS DE 8 HORAS |
| De acuerdo a nuestros diferentes servicios, cuál sería el mayor demandado por su empresa? (Ruta PRO ECUADOR) | CAPACITACIÓN | | | | |
| Tiene interés en buscar socios estratégicos/inversionistas que puedan aportar en el fortalecimiento de su empresa? | No por el momento | | | | |
| COMENTARIOS GENERALES DE LA VISITA DE CAMPO (CRITERIO AUDITOR) | | | | | |
| PROBLEMÁTICAS DE LA EMPRESA | <ul style="list-style-type: none"> *Adecuaciones para una mejor distribución y producción de la empresa. Para mejor organización adquirieron neves industriales vecinas pero no han podido realizar la implementación de la planta productiva. *Productos de fabricación China que no cumplen con notificación sanitaria *Falta de control en cumplimiento de normativa nacional para tipo de producto | | | | |
| RECOMENDACIONES/OBSERVACIONES: | <ul style="list-style-type: none"> *Desde 1990, negocio familiar tres generaciones. Hasta el año 1984 se constituye como compañía y en el año 2000 arranca como empresa de elaboración de velas decorativas. Facturación 300 mil dólares al año ahora están facturando 2,5 millones. Cuentan con nave industrial propia. 56 personas en planta y administrativos 10 personas. *Trabajan con supermaxi, ferrisariato, mi comisariato, grupo ortiz *Productos actuales: velas aromáticas y velas de paquetes *La empresa está aperturando local propio en Mall del Río | | | | |
| ESPECIALISTA DE PRO ECUADOR: | <u>Luis Salcedo</u> | | | | |

Primera empresa cuencana recibe "Mi Primer Certificado INEN"

28 de septiembre de 2017 - 11:04 am

Tiempo de lectura: 1 minuto | No. de palabras: 186 | 0 vistas

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El Servicio Ecuatoriano de Normalización, creó "Mi Primer Certificado INEN" para la Gestión de Micro, Medianas y Pequeñas Empresas, con el objetivo de incentivar a que fabricantes de productos manufacturados sujetos a requisitos de normas o reglamentos técnicos ecuatorianos mejoren la calidad de su gestión empresarial.

Es así, que la "Fábrica de Velas Herminio Delgado Cía. Ltda.", recibe la primera certificación INEN, al haber demostrado el cumplimiento de los requisitos establecidos en la Resolución INEN No.2016-022. Esta es la primera fábrica que recibe esta certificación en el Azuay, demostrando su compromiso de trabajar con calidad en beneficio del país.

Esta empresa pasó por un proceso de auditoría, en la cual cumplió exigencias legales, temas relacionados con atención al cliente y proveedores; manejo de procesos productivos y comerciales; de conservación del producto; de gestión de venta; también conceptos de seguridad y salud ocupacional, entre otros.

Las empresas que obtienen esta certificación y desarrollan procesos de mejora, están en la posibilidad de sacar el Sello de Calidad INEN.

Infórmate y permite que los productos de tu empresa se den a conocer a nivel nacional e internacional.

Source: (Ecuadorian Normalization Service, INEN, 2017)