

Business Management Systems as a tool for efficiency



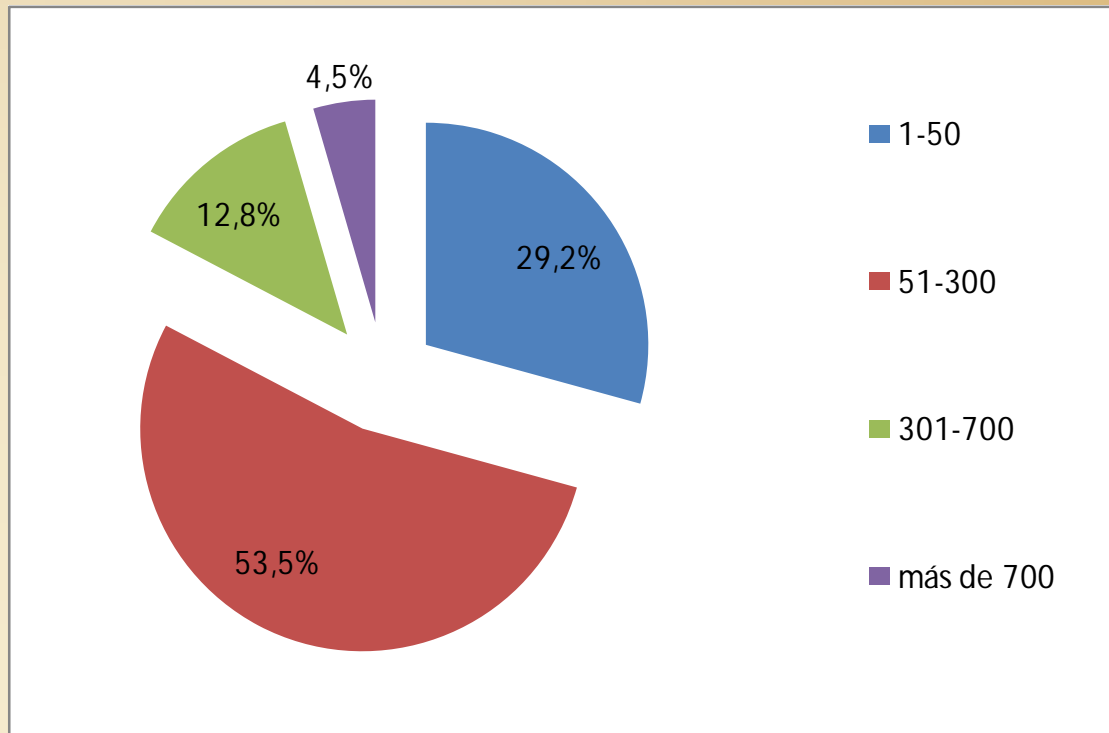
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Using business management systems...

- Why?
- What for?
- For whom?
- How?

The beekeeping firms

- a) Mainly small and medium sized
- b) Registered in RENAPA but not in AFIP
- c) Secondary activity providing additional incomes



Graph 1. Stratification of beekeeping firms by number of hives.

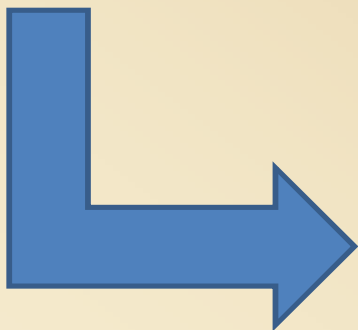
Source: CFI (2003).

Degree of entrepreneurship *(empirical evidence)*

- Most producers want to **improve** their profits.
- Most producers want to **progress** in the activity.
- Producers find **advantages** in integrating groups.
- Groups receive **training** (mostly focused on production, not management nor marketing).
- Few groups have been able to face **joint** business experiences.

Degree of entrepreneurship: *contradictory behaviour*

- **Rational:** to produce as much as possible and to sell at the best price possible, without being able to influence the price (commodity market).
- **Non-rational:** to grow and to obtain better profits, but with baseless decisions.



Clear need of business management systems to organize and process information

Main detected difficulties (*empirical evidence*)

- Do most beekeepers like software tools for managing their businesses?
- How much beekeepers know about the theoretical basis of that tools?
- Is it useful to know costs and profits ex – post?
- How much capital are in risk, comparing with other alternatives?

Business Management Systems

Theoretical basis for an easy comprehension

Main Goal	If it grows (by investing)	CAPITALIZATION
Mantain capital (mainly hives)	If it declines (by sales or losses)	DECAPITALIZATION

Business Management Systems

Theoretical basis for an easy comprehension

	Definition	Operative	Capital
Incomes	Money going inside the firm	By normal operations	Produced by sales of assets, loans, etc.
Expenditures	Money getting out of the firm	By normal operations (COSTS)	Produced by purchase of assets (INVESTMENT), cancellation of loans etc.

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Theoretical basis for an easy comprehension

Economic outcome	Operative incomes < operative expenditures	LOSS
Do I win or lose with the normal operation?	Operative incomes > operative expenditures	PROFIT

This is the most important!

Financial outcome	Total incomes < total expenditures	DEFICIT
Do I have money in my pocket?	Total incomes > total expenditures	SURPLUS

Business Management Systems

Key points for their success

- **Simplicity** in recording revenues and expenditures of the beekeeping firm.
- **Possibility** of using digital or paper forms.
- Registration **throughout** the campaign.
- Calculation of **economic and financial outcomes** of the firm.

Business Management Systems

Key points for their success

- Calculation of **basic economic indicators** of the firm: breakeven point, return on capital, level of indebtedness.
- Organization of the **inventory** of the firm and its movements: the total amount of capital in risk, depreciation, rating of shared assets.

Thank you for your attention



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