



**UNIVERSITAT
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STRATEGIC PLANNING AND MANAGEMENT OF SMES

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INTRODUCTION

According to data from the Central Directory Business (2014) in Spain the 99.88% of the industry are SMEs. These organizations must devote significant resources of time, energy and human and financial resources to measure the work they carry out to achieve the strategic objectives.

In recent years SMEs have been affected their business mainly due to the financial crisis, which started in 2008, disappearing almost 250,000 SMEs and more than 300,000 self-employed since then to the present day, according to data of the Ministry of Industry. As a result many of these companies have had to adapt to the new situation which the country to survive and not disappear.

The aim of this project is to make the strategic planning for an SME using the balanced scorecard (BSC) as a tool. Lumpkin and Dess (2003) "*understand by the meaning of the strategic planning, the set of analysis, decisions and actions that an organization takes out to create and keep advantages comparative sustainable along the time*".

The Balanced Scorecard, is a tool created by Kaplan and Norton at the beginning of the 90s, which allows to develop a comprehensive strategic management. According to Kaplan and Norton (2000) "*the financial gauges were insufficient to bring companies to success strategies and past returns, but they did not offered future indicators*". So therefore, they created indicators which were classified in 4 different perspectives that reflect the total value of growth that companies have in a given period, without leaving aside finances that are essential when measuring success.

1. OBJECTIVES

1.1 General objectives

The aim of this project is to make the strategic planning for an SME belonging to the catering sector, taking into account a balanced scorecard.

1.2 Specific objectives

The specific objectives which are intended to achieve the use of the balanced scorecard are, on the one hand, to identify the current situation in which the company is both from the internal and the external perspective. On the other hand, to define a few strategic objectives, to classify them and to monitor them through a few indicators, with the purpose of improving the operating of the company.

1.3 Justification

The project that is being carried out is based on an existing business which is located in Benicàssim, but for reasons of confidentiality will have the name of 'EL MONTADITO S.L.'

The Catering Sector has been chosen and more specifically this company for the following reasons:

- Easy to come and go to get information.
- By the personal desire to open a restaurant with similar features in the future.
- Gastronomy is one of the main attractions in this country, and also one of the reasons because of tourists come on holiday, making it an added value that differs from other destinations.

2. METHODOLOGY

In carrying out this work has been used a tool called the balanced scorecard for the construction of a strategic plan, its implementation and follow-up monitoring to observe the fulfilment of the objectives.

2.1 Strategic plan

Strategic planning can be defined as a process to determine how a company can make the best use of their resources in the future. In addition, it answers questions such as: what do we do?, for who we do it?, and how do we do it?

According to Chandler (1962) *'the definition of the goals and long-term objectives of a company, the adoption of actions and the allocation of the resources necessary for the achievement of these objectives'*.

Since the strategy is based on the way to achieve a particular purpose, the strategic plan is the projection into the future of what we want to achieve quantitative manner and a way to get it in a certain period. The objective of the strategic plan is to trace the path that points us steps to achieve our goals by turning ideas into actions. In order to the strategic will be successful, all phases must be interconnected since even having a very well-formulated strategies not serving anything if they are not implemented in an appropriate way.

The stages of a strategic plan are as follows:

1. Strategic analysis
2. Formulation of strategies
3. Implementation strategies.

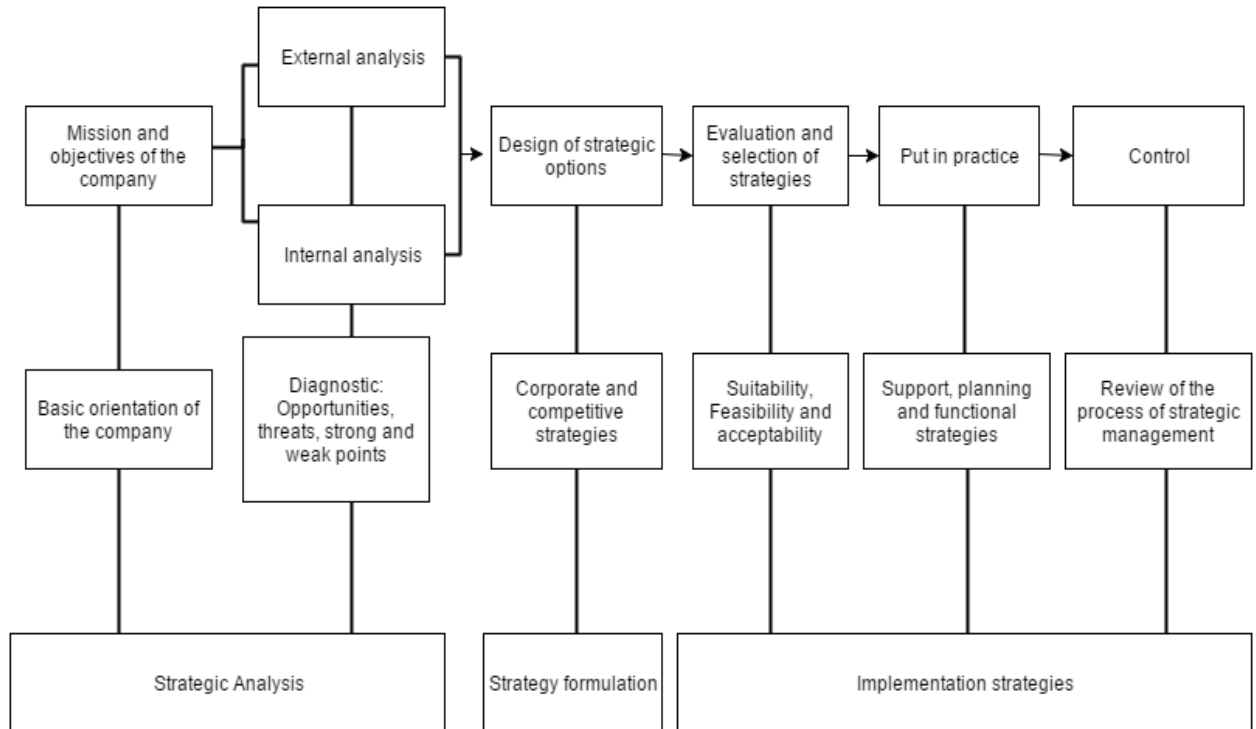


Figure 1: The Strategic Management Process

Source: Own Elaboration from La Dirección Estratégica de la Empresa: Teoría y Aplicaciones (2007)

- Strategic analysis

It can be considered the starting point of the strategic plan. It consists of the previous study to be carried out by the company in order to formulate and implement appropriate strategies. The first part of the strategic plan consists of the following processes: it is necessary to analyse the vision, the mission and the strategic objectives of a company. The question what is our raison d'être? It responds to the mission of the company, where we want to go? It is the vision of the company and finally the question What we want to do? Responds to the strategic objectives that a company has. We will then analyse the opportunities and threats that occur in the environment, also called external analysis. It is to examine the external factors affecting the company such as: political factors, economic, technological, social, all competitors and organizations that can threaten the

success of the company. Once studied the environment we pass to analyse on an internal way our company where we identify the strengths and weaknesses that affect our company. Later analysed both areas affecting the company will be a diagram of strengths, weaknesses, opportunities, and threats called SWOT where we capture all the information previously collected.

2.1.1 Internal analysis

To respond to the issues raised by the strategic plan, first it will need to establish certain premises which they are composed by, they are:

- Mission, vision and values of the company

These aspects define the purpose of the organization, they delineate what the organization wants to be in long-term and also shows the beliefs shared by the members involved establishing the bases for decision-making.

- Strategic maps and goals

The strategic map is the set of strategic objectives that are connected through cause-effect relationships between objectives, the indicators, the minds, managers ordered in the four prospects. They help us to understand the coherence between the strategic objectives and allows us to view in a graphic way the company's strategy.

- Indicators and goals

The indicators are the means used to visualize if the strategic objectives are met or not while the goals are what you want to get to an indicator in a given period of time.

There are two kinds of indicators:

Outcome indicators: measuring the achievement of the strategic goal. Also called effect indicators, and in English, lag indicators or outcome measures.

Cause indicators: measuring the result of the actions that allow their achievement. Also called inductors indicators, and in English, lead indicators or performance drivers.

- Financial analysis

'It is refers to the calculation of reasons to evaluate the past operational, present and projected performance of the company, analysis of reasons is the most usual financial analysis. They offer the measures relating to the operation of the company'. (Gitman Lawrence, 2003)

It serves to give an idea of the current and future financial situation, as well as the general terms and conditions of the company and its results. It can be used as a tool to measure the performance of the administration or to diagnose some existing problems in the company.

Some of the indicators that will be used in this project will be:

- Profitability (ROI) it is an indicator that measures the rate of return produced by a financial gain to the total capital, including all amounts borrowed and equity.
- Level of debt: it is an indicator that measures the degree of leverage used, and indicates the participation of creditors about the company's assets. (Total liabilities/ total assets).
- Ratio of liquidity: is an indicator that measures the ability of the company to comply with its obligations in the short term. (Current assets/ current liabilities).
- Rate in the growth of sales: is an instrument of measurement of the main variables associated with the fulfilment of the objectives and which in turn constitute a quantitative and/or qualitative expression of what is meant to reach a target specific laid, in this case that of the growth of sales.

- Analysis of the chain value

According to Porter (1985) *'a theoretical model allowing to describe the development of the activities of a business organization generating value to the end customer'*.

So, its objective is maximizing value while minimizing costs, resulting in a margin between what you agree to pay and the costs incurred for purchasing the offer.

Major activities follow a process where there is an input 'inputs' or raw materials where it undergoes a process of transformation to become outputs or finished products.

The value chain is composed of three basic elements, which are:

- **Primary activities**

The primary activities are those activities directly involved in the production of the product and its sale or delivery to the buyer, as well as post sale assistance. They are essential in the transformation of inputs into outputs.

- **Support activities**

Support activities are activities that support the primary activities. Its main objective is to increase the efficiency of the primary activities and of the creation process of the added value.

- **The margin**

According to Porter (1985) *'the margin is the difference between the total value and those total costs incurred by the company to develop activities generating of value'*.

2.1.2 External analysis

Regarding the external analysis surrounding the strategic plan, it can be said that there are many factors to analyse, and is therefore that it is necessary to set some context that place under this plan.

2.1.2.1 PESTEL

PESTEL analysis serves to define the context of a company through the analysis of a number of external factors. If it is got to describe the current and future environment based on these variables, it will be conducting an exercise of reflection that can give some interesting clues about how the market will behave in the future.

Below is detailed in greater depth those details to study:

- Political: are those factors associated with the political class such as: public subsidies, fiscal policy, modification of trade treaties, and so on, which may influence the activity of the company in the future.
- Economic: consist of analysing, studying and thinking regarding the current and future economic, which may affect the construction of the strategic plan in some way, for example: changes in the cycles of economic zone, new political economics, variations in interest rates, inflation, and so on.
- Socio-cultural: in this case, the interesting thing is to reflect on which can be the elements of society that may affect the project carried out, it is thus necessary to take into account issues such as: profile of the consumer eco-friendly, changes of tastes or trends of consumers, the decline in the level of income of the population, concern for health, tourism, and so on.
- Technology: at this point we should be very cautious, since it is an aspect that is difficult to control. Certainly the technological changes have always existed, but not a dizzying speed in which are produced today. So therefore it is interesting to study about all those factors that may affect the company, and therefore to take into account issues such as: the inclusion of a comprehensive system, the emergence of new technologies related to the company, the emergence of new applications, the promotion of technological development that will take the company to integrate these variables within their strategy and even new forms of production and distribution.
- Ecological: while at first this point may seem to affect only certain companies, it is not true. For this reason it is interesting to be aware of policy changes related to ecology and reflect on issues such as: regulation on the energy consumption and recycling of waste, and so on.
- Legal: this point refers to all those changes in the legal regulations related to their work, which can result positive or negative. So, explore issues such as:

laws against tobacco, rules and regulations governing food in Valencian Community, laws for establishments engaged in the catering, and so on.

2.1.2.2 Porter's Five Forces' Model

Porter's Five Forces analysis' is a necessary task to complete satisfactorily the creation of a strategic plan. This analysis leads to the respective join of the five forces that determine the intensity of competition and rivalry in an industry, and as soon as more attractive is this industry in terms of investment and profitability opportunities.

To perform a proper analysis of the Porter's Five Forces' model analysis, it is necessary to note that '*there are two dimensions of the business environment: the ambient macro, which includes forces that macro level have or can have implications on the behaviour of the sector and the company in particular (forces of economic nature, political, cultural, social, legal, ecological, demographic and technological); and the sector (group of companies that produce the same type of goods or services), whose analysis are related to the structural behaviour, studying the forces that determine the competitiveness in the sector*'. (Baena et al., 2003)

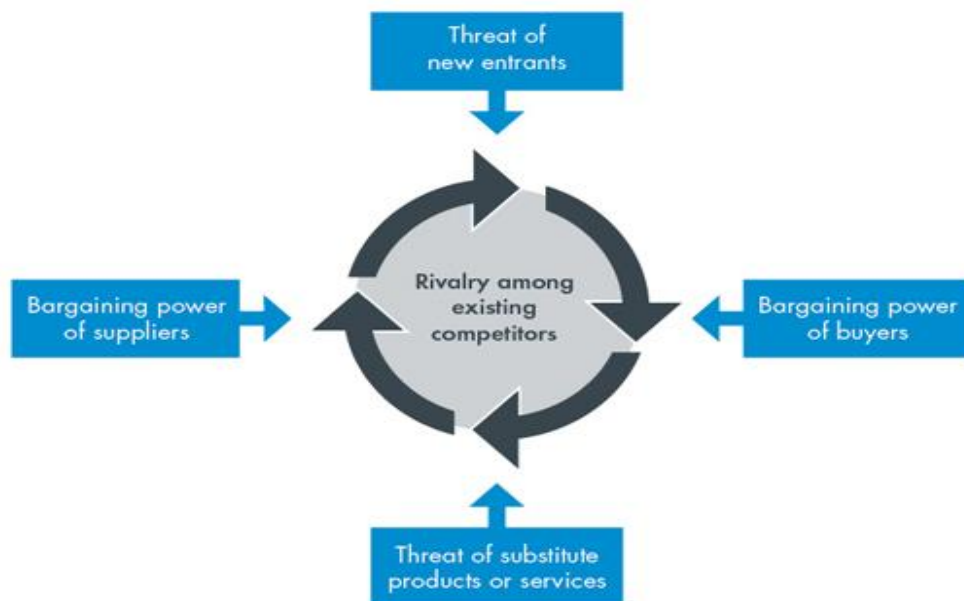


Figure 2: Porter's Five Forces

Source: Essential Tools For Management Accountants (2013)

Porter's Five Forces are as follows:

- Bargaining power of buyers or customers: refers to the bargaining power that have consumers or customers. This section discusses the problem that occurs when a client has a product that has one or more substitutes on the market, it can cause that if buyers are well organized they can demand that quality of the product will be always higher but at reduced prizes.
- Negotiation power with the suppliers: refers to the capacity of negotiation with providers have, i.e. the threat imposed on industry by the suppliers, either because they have a high degree of concentration, by the characteristic of the products that they provide, by the impact of inputs to the cost of the industry, and so on.
- Threats of the entry of new competitors: refers to the potential entry of companies that sell the same type of product. It is one of the most important forces, since it detects to the companies with the same economic characteristics or similar products on the market. When a new company tries to enter in the sector, this could have barriers to entry such as lack of experience, loyalty of the customer, huge capital required, lack of distribution channels, lack of access to inputs, market saturation, and so on. It is referred to entry barriers, '*any mechanism whereby the expected profitability of a new incoming competitor in the sector is lower to the profitability which are earning the competitors present in the company*'. (Dalmau and Oltra, 1997)
- Threat of substitute products: refers to the potential entry of companies that sell substitute products or alternatives in the sector. It refers to the products that may affect in a very serious way to a company, so that they begin to be real, effective and more cheaper that those which sell the initial company. This makes to this company to lower its price, so it will produce a reduction in the incomes.
- Rivalry among competitors: refers to the companies that compete directly in the same sector, offering the same type of product. The rivalry defines the profitability of a sector, i.e., while fewer competitors are in a sector, normally it will be more profitable and vice versa.

2.1.3 SWOT

According to Humphrey (1960) the SWOT is a study of the situation of the company, analysing its internal features (strengths and weaknesses) and the external situation (threats and opportunities) in a square matrix.

- Weaknesses: they are aspects which limit or reduce the capacity of effective development of the strategy of the company, they constitute a threat to the organization and they must, therefore, be controlled and overcome.
 - Strengths: they are capacities, resources, achieved positions and, as a result, competitive advantages that should and can be used to exploit opportunities.
 - Threats: is defines as all the power of the environment that can prevent the implementation of a strategy, or reduce their effectiveness, or increase the risk of it, or the resources required for its implementation, or also to reduce the expected revenue or profitability.
 - Opportunities: is everything that can be a competitive advantage for the company, either represent a chance to improve the profitability of the same or to increase their turnover.
-
- Strategic formulation

Once finished the first phase, strategic analysis, we will continue to the next phase called strategic formulation. This phase is responsible for designing strategic options using the information collected in the first phase and always staying faithful to the mission and vision of the company, the strategies cannot go against the mission and vision. It develops at different levels:

Corporate strategies: is the strategy that sets the direction of the company, it answers to the following question: in which sectors should we compete?

Competitive strategies: according to Porter (1980) *'the competitive strategy takes offensive or defensive actions to create a defensible position in an industry, in order to face, successfully, to competitive forces and to generate a return investment policy'* and it responds to the question, how de we compete to differentiate us from the competition?

2.2 Presentation of the Scorecard

The Scorecard is a tool that allows us to manage strategies and is in charge of 'monitoring all the important elements of the strategy of a company, from continuous improvement and alliances, to the team work and the global scale, which allows companies to achieve excellence', (Kaplan, 2005). 'The main benefit of this tool lies in allowing monitor the defined objectives and to carry out a monitoring of the global strategy of the company in a centralized way' (Dávila, 1999 and Fernández, 2001).

The scorecard is based on the analysis of 4 perspectives:

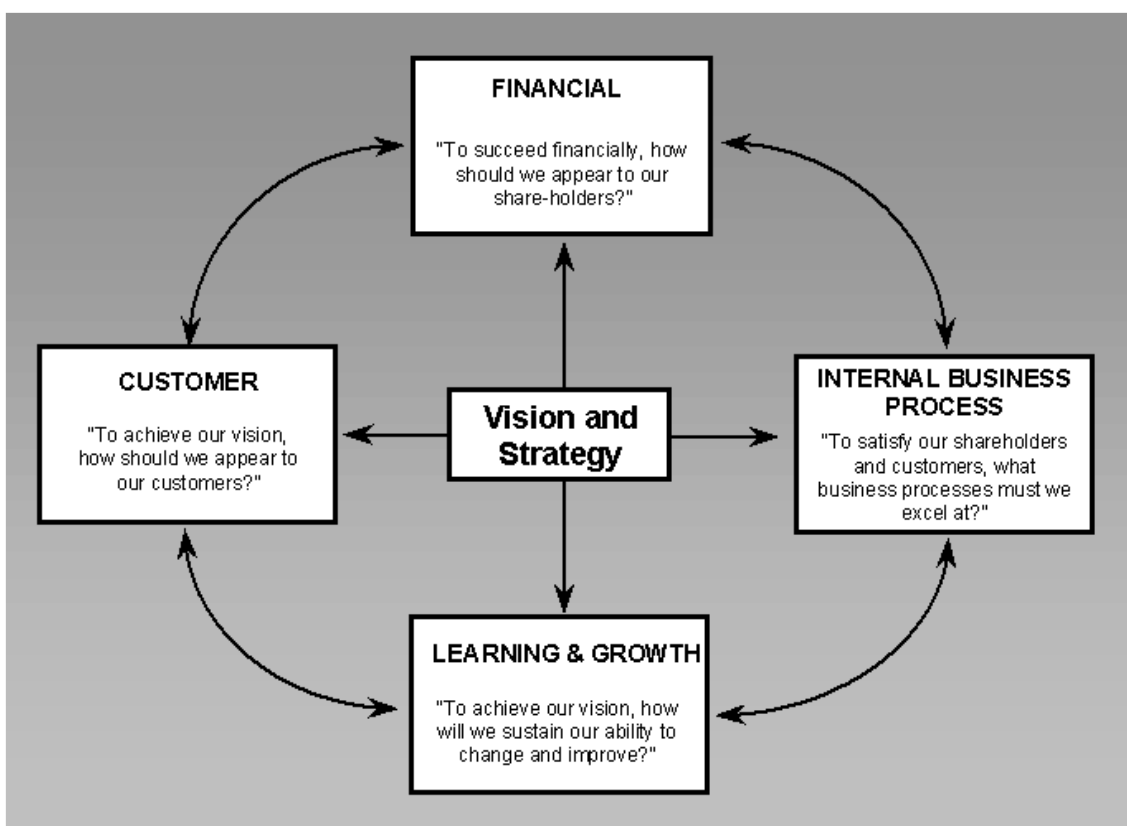


Figure 3: Scorecard's perspectives

Source: Cuadro de Mando Integral (2000)

2.2.1 The scorecard perspectives

The four perspectives must be connected and be coherent among them because they as a whole form the scorecard. The financial result will be got if customers end satisfied and they come back; it is got that customers were satisfied if internal processes are

generated properly and it will be got improvements in internal processes through innovation and learning by members of the company.

- Financial perspective (past)

It is a perspective that takes into account only the tangible assets and describes the results of these in traditional financial terms. It is responsible for creating value for society, summed up the consequences of past economic actions and it tries to maximize the benefits and minimize the costs. This perspective answers the question, must we satisfy to our shareholders?

The financial indicators are based on the accounts of the company and they show the past results of the same. Below it can be seen examples of indicators that can be applied to this perspective:

Financial Indicators	
<ul style="list-style-type: none"> • ROE, financial profitability • ROI, economic profitability • Per, earnings per share • Total debt 	<ul style="list-style-type: none"> • Net profit • Dividend per share • Employee benefit • Working capital

Table 1: Indicators of the financial perspective

Source: Cuadro de Mando Integral (2000)

The financial goals may differ depending on the life cycle in which a business is located. The phases of the life cycle are:

Growth: companies that are in this phase normally may have loss and very low yield on invested capital since it is at the beginning of its life cycle. The financial goal at this stage that the company has is the growth of sales in market, group of customers and selected regions.

Support: it is probably that most of the companies are in that phase of the life cycle. The objectives that they try to get at this stage is to get excellent returns on invested capital and to increase the market share.

Harvest/Collection: it is the mature phase of the life cycle of a company. These businesses already do not require large investments. The main objective of this phase is to get the return of the cash flow to the company.

Examples of objectives that can be found through this perspective:

- Increase in sales
- Reduce the external financing
- Reduce costs and Improvement of solvency
- Ensure the liquidity
- Increase of profitability, both economy as financial

- Customers perspective (present)

To achieve this perspective we must answer to this question: what we should offer to our customers?

Customers are the engine of business, without them there would be no business. The company must know the needs of customers and to understand why they choose one company or another one. For this reason a specific company must know the needs better the competition. Some examples of needs that arise are: prize, quality of service or product, the time a customer employ in a service, the image.

The perspective of customers shows the positioning of the company in the market segments where it wants to compete in, and the perception of the value of the company by the consumer.

Some indicators of this perspective are:

Indicators from the customers	
<ul style="list-style-type: none">• The market share• Sales per consumer• Earnings per consumer• Degree of satisfaction	<ul style="list-style-type: none">• Value of image to customers• Reputation level• Number of complaints and claims• Number of visits of the customers

Table 2: Indicators from the customers perspective

Source: Cuadro de Mando Integral (2000)

- Perspective of internal processes (present)

The question that must be answered in this perspective is: in what business processes must be excellent for the needs of the customers and the shareholders?

The activities of the company must be focused on getting the excellence in the production of the product or services. The internal processes of the company affect directly on the satisfaction of the needs of their customers as well as the attainment of financial goals.

This model encompasses three main processes:

Innovation: once the company investigates the latent customer needs, then creates products or services to meet those needs.

Operations: where is produced and is delivered to customers the products and services.

After-sales service: finally, to meet and serve the customer after the sale or delivery of the product or service.

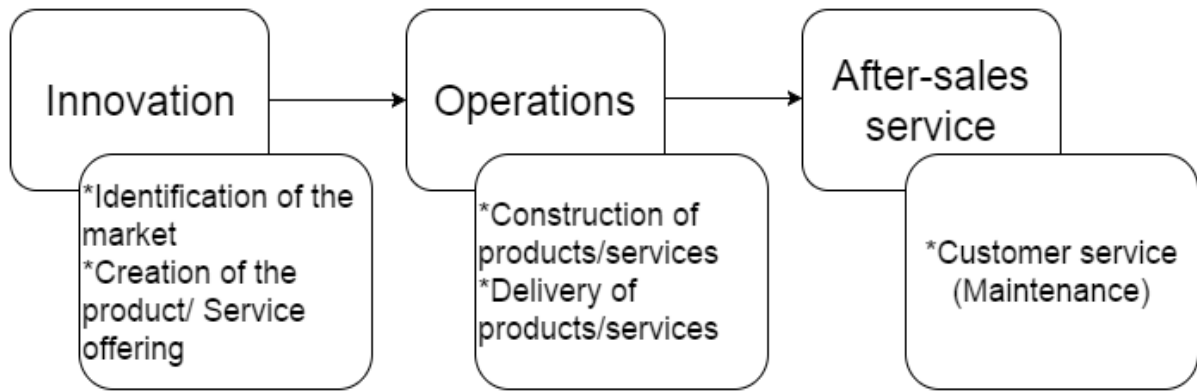


Figure 4: Model of the perspective of internal processes

Source: Own elaboration

The indicators which may occur in this perspective are indicators of internal processes:

Indicators of internal processes	
<ul style="list-style-type: none"> • Average age of machines • Number of suppliers • Cost of transport • Dead times 	<ul style="list-style-type: none"> • % of new products development • Process cycle time • Number of distributors • Number of patents

Table 3: Indicators from the perspective of internal processes

Source: Cuadro de Mando Integral (2000)

- Learning and growth perspective (future)

To achieve this vision it is must be answered to the question, how must we develop our skills to develop ourselves and to improve?

The learning and growth perspective is the latest that it is arisen in the Scorecard model. People and technology are the resources which more important are at the time of the creation of value in a company. It is a perspective wit future vision where innovation and learning enable the growth and improvement of the company. The markets are dynamic and with them our competitors and customers.

Investments in equipment and in R&D are important but insufficient by itself. There are three main categories of variables which influence in this perspective:

The capabilities of the employees: the ability to improve internal processes must derive from employees who are near them and constantly of the customers.

The capabilities of information systems: the motivation and training of the employees is not enough, it is also necessary to have information about customers, internal processes and the financial results of their decisions.

Motivation, delegation of power (empowerment) and coherence of objectives: employees should be one more of the company and they must feel themselves as an important piece, where they feel free to make decisions and act. This can keep a pleasant climate to develop internal processes made in the company.

The indicators which can be found in this perspective are:

Learning and growth Indicators	
<ul style="list-style-type: none"> • Cost of training • Number of quality circles • Absenteeism • Index of communication 	<ul style="list-style-type: none"> • Index of incentives • Employee satisfaction • Index of quality in training • Number of suggestions per employee

Table 4: Indicators of the learning and growth perspective

Source: Cuadro de Mando Integral (2000)

- Implementation of the strategy

It is the final phase of the strategic plan and it claims if the company has adequate strategic controls in order that the previously formulated strategies will be success.

3. DEVELOPMENT OF THE STRATEGIC PLAN

3.1 Internal analysis

3.1.1 History

The society 'EL MONTADITO S.L.' of Spanish nationality was established in 2009. Of compliance with it was established in the article 2º of the statutes of the mentioned entity has by social object 'restaurant of innovative food'.

Specifically, it is a restaurant for tapas and pinchos of very elaborated miniature haute cuisine, served on slices of toasted bread or mini-sandwiches or mini-croissants.

Even being a small company, since it has 10 employees, it has managed to make strong in a market as homogeneous as the catering sector. Such company is specialized in high-end and high-quality montaditos for it has taken hold in the local territory and it has differentiated itself with great ease from nearby shops even causing the closure of companies given its high standing and their good treatment with customers, always with the search for new products, new aromas or flavours to captivate guests. In a short time it became a reference point for the nocturnal culinary life of the town of Benicàssim, where during the Summer month the terrace tales are crammed. At first it was a small shop to a capacity crowd of about thirty people. In 2011, it acquired a second branch in front of the original. The décor of the place is minimalist and very careful where blacks and whites predominate and contrast the red windows.

'EL MONTADITO' is a company dedicated to the hospitality industry, it is located in Benicàssim in a privileged position since it is located in a central street of maximum Summer influx. It is a place with an area of 110 m2.

3.1.2 Mission

Its mission is to want to achieve perfection in everything it does, providing excellent service and offering guests warm with excellent relationship prize-quality, getting so the customer will be always satisfied.

3.1.3 Vision

'Stay on the line reached to this day there', be recognized and preferred at the local level, as a business that provides services and products of excellence to its customers.

3.1.4 Values

- Quality service, offering impeccable friendly customer.
- Constant innovation in the offered products.
- Constant commitment in the continuous improvement of the service.
- Teamwork, valuing the contribution provided by each member of the teamwork.

3.1.5 Organization chart

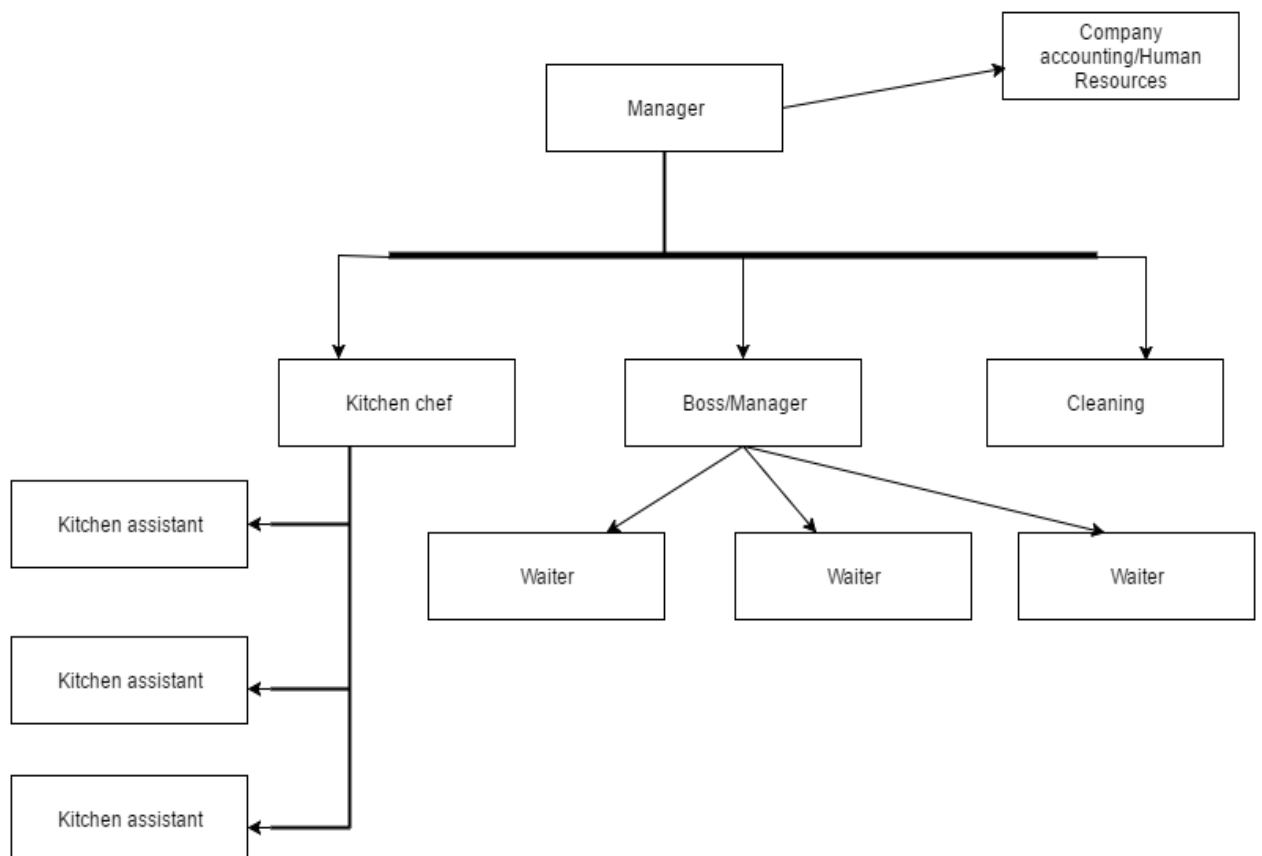


Figure 5: Organizational chart of the Company

Source: Own Elaboration

3.1.6 Working of the structure

The company 'EL MONTADITO S.L.' follows a model of mechanics bureaucracy with functional departmentalization and in common with many of the principles of Administration established by Fayol (1987) in his book.

The authority is concentrated in the hierarchical dome organization. The organizational chart of the company does not have a great hierarchical development (three levels), there is no a high number of middle management, the manager has a high horizontal specialization. This means that management assumes many functions, as well as coordinate and supervise the activities of other responsible departments directly.

The control range is limited, the chef and the manager are responsible for a limited number of subordinates.

The kitchen's assistants have a unique upper hierarchical to contact (chef) and from who receive orders while the waiters are in the same situation, they have a unique upper hierarchical to contact with (boss). At the same time, both the chef and the boss must give reins to the manager of the company. Each person knows their tasks, functions and responsibilities.

3.1.7 Description of the jobs

The functions carried out by the employees are explained below:

- **1 Manager**

He is the responsible for the whole restaurant.

He oversees the recruitment and entertainment of all employees.

He works closely with the chef and the boss.

He handles the financial side of the company, buying the necessary equipment, paying the salaries of employees, paying products, light, water or the local rent.

He directed the purchasing management and relations with suppliers.

He attends to complaints and suggestions from customers.

He takes decisions on the introduction of new products.

He develops de schedules.

- **1 Chef**

He is the head ans total responsible for the operation in all areas related to kitchen.

Low to his orders he has different people with varied responsibilities in the kitchen.

He is the responsible for the creation, quality and consistency of the food, for the realization of the 'montaditos', is taken an estimated time of 10 minutes.

He reports of performances carried out by assistants to the manager.

He checks daily cold rooms, refrigerators and sauces used the day before to check if everything is in good conditions to be used during the day and report it to the manager.

- **1 Boss**

He coordinates the staff.

He charges the bill to the customers and he farewells from customers.

He works closely with the manager.

He reports to the manager of the work done by the waiters.

- **1 Cleaning**

They clean the local when it is closed.

- **3 Kitchen assistants**

They help constantly to the chef.

They must keep the kitchen cleaned (sweeping, scrubbing the littering)

They drain and wash the dishes.

They must keep the work are clean (cleaning surfaces, utensils)

- **3 Waiters**

They are responsible for the cleaning of the tables.

They help in the accommodation of customers at the tables.

They have knowledge of the menu.

They take note of wine, drinks

They serve certain products to tables.

3.1.8 Offered service

It is a restaurant for 'tapas and pinchos' of very elaborated miniature haute cuisine, served on slices of toasted bread. Having lunch or dinner in this place would cost around 15 or 20 Euros per person.

An example of the menu are the following 'montaditos':



Figure 6, 7, 8: Restaurant Food

Source: Own Elaboration

3.1.9 The technology of the company

'EL MONTADITO S.L.' despite of being a restaurant with a type of innovative creations and which has had a great reception by the citizens, it does not have means of dissemination and marketing, i.e., it has no website, a means of important dissemination when presenting both the characteristics of the local and its products. Nor has mobile applications, a medium that has become trendy in restaurants now.

On the other hand, the media technology boasts the restaurant internally are also scarce, for example it does not have Wi-fi for customers, it has a very traditional system of orders, and even it has no television.

3.1.10 Analysis of the chain value

The representation of the chain value that presents the company is:

3.1.10.1 Primary activities

The primary activities are divided into the following activities:

Inbound Logistics: this area is responsible for the reception and good storage, handling and conservation to prevent losses of the inputs. As better inputs are used, less cost of losses will have the company and this is translate into greater savings.

Kitchen: here is produced the transformation of raw materials into the finished product. They are the activities of preparation and elaboration transforming food into dishes. It also includes presentation, cleaning, maintenance and quality control processes.

Room: it includes activities relating to the service and delivery of the final product to the client, such as the quality of the service provided, the degree of attention given to customers, the organization carried out, cleaning and maintenance.

Marketing and Sales: all media that is used to promote the restaurant: the means used are advertising, guides and hospitality.

Post-sales: are the means used to increase value added of the restaurant adjusting the product and trying to innovate according to the customers' preferences.

3.1.10.2 Support activities

Support activities of the chain value are divided into the following activities:

Organization: these are activities that related tot he direction of the business, the planning which is carried out and everything to do with the finances that the company made.

Human resources: it is made up of aspects related to the personnel of the company, such as the selection of the staff, their further training, retribution or motivation which takes place in the restaurant.

Technology: they are activities that are aimed at the improvement of the processes, using the modern technologies that are carried out for the conservation of foodstuffs or information systems.

Purchasing: shopping are activities focused on searching for the best products in the optimal possible conditions, there are also other activities such as logistics and the relationship with suppliers.

3.1.10.3 The margin

The graphic representation of the value chain that presents the company is of the following form:

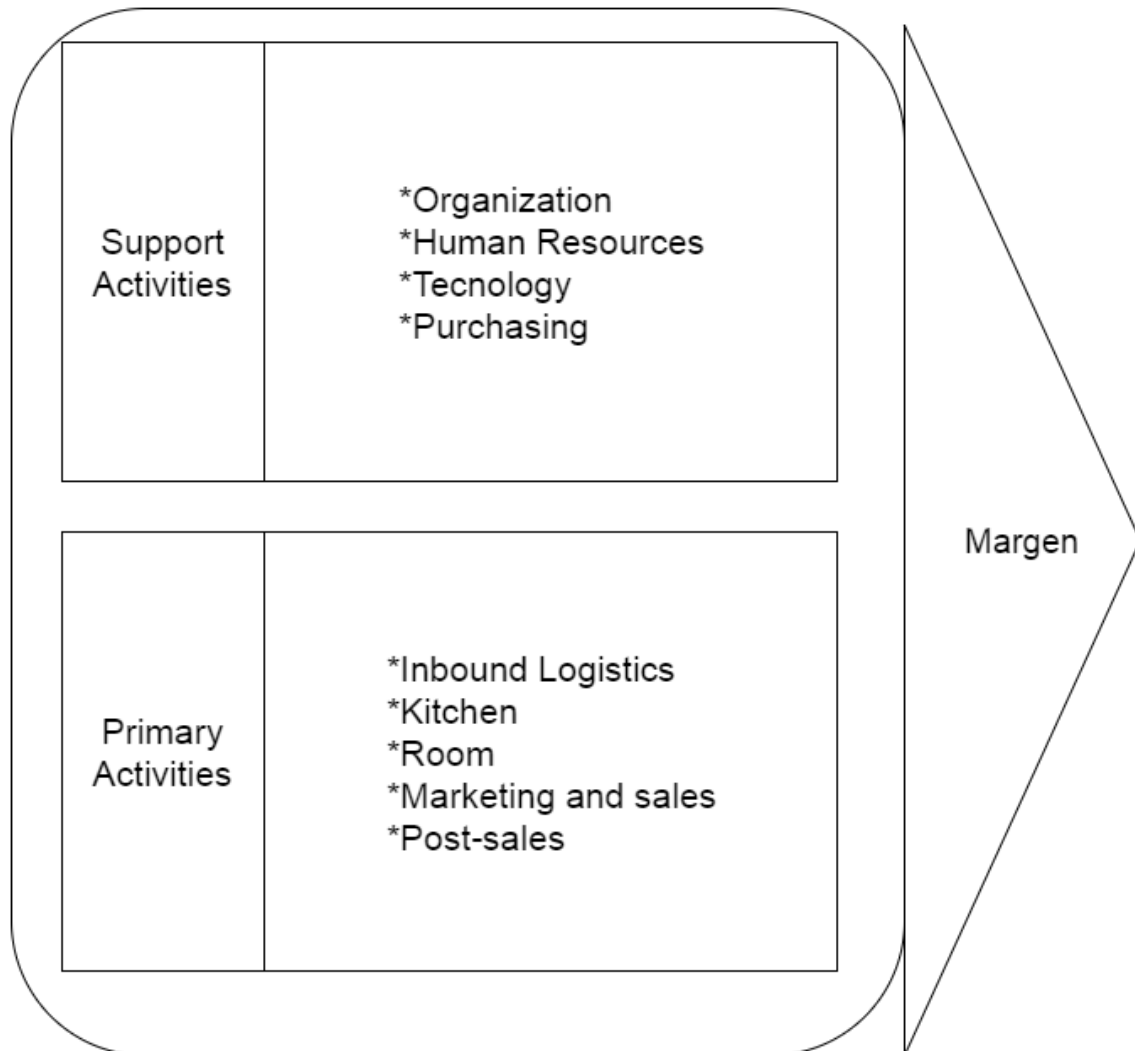


Figure 9: Chain Value

Source: Own Elaboration from Porter (1985)

3.1.11 Financial analysis

In terms of the financial section, as it was previously mentioned it is necessary to analyse it, with the aim of providing more information to the scorecard and in addition to making us an idea of how is running the company. For this purpose, the following indicators have been analysed:

The company's economic profitability: worth noting that 'EL MONTADITO S.L.' has a 41% of economic profitability, a performance that economic profitability could be improved with a rotation of assets more efficient and with an increase of the margin on sales, to the extent possible. This performance allows to 'EL MONTADITO S.L.' comparison of profitability between companies of the same sector without the difference of its financial structures affect to the ratio value.

Level of indebtedness of the company: this section should highlight that the analysed company has a particularly high leverage with 55% level, this allows it to get a higher return. On the other hand it should be noted that this high level of debt in relation to the resource itself can compromise the solvency of the company in the event that the results translate into losses and therefore this ratio will have to be paid special attention.

Ratio of liquidity of the company: this indicator also is important to take into account to find out if the company has enough capacity to meets its obligations in the short term, as well as 'EL MONTADITO S.L.' has a ratio of solvency of 2.3% which means that it is able to meet its obligations in short term. While this indicator is quite correct, it could be said that with the addition of the scorecard the ratio would be seen clearly improved.

Rate of growth in sales of the company: this indicator shows us how efficient is being the company when selling their products, so 'EL MONTADITO S.L.' has a 2% growth over the previous year, a correct ratio but which is intended to improve the implementation of the scorecard.

3.2 External analysis

3.2.1 PESTEL

The factors used to assess the market in which the business is located are:

3.2.1.1 Political factors

From the end of 2011 Spain has established a contractive economy fiscal policy focusing on two fundamental and interrelated areas: fiscal consolidation and structural reforms.

The objectives of the reform were clear: boosting economic growth, job creation, and improving business competitiveness, through the configuration of a tax system more equitable that it entails a tax rebate. Fiscal policy developed up to that time had created the conditions, with an incipient growth economy that needed to be shoring up and push through a tax reform that put more resources into the hands of households and firms.

Since 21st December 2015, Spain is without a Government. Currently the Popular Party is in office. A Government enters office after holding general elections, but also in certain cases when starts losing the confidence of Parliament or when resigns or dies the President. The outgoing Government continued its work, with limited powers, until the next Executive takes to possession.

The current political uncertainty that exists in Spain threatens the consumption and investment. According to the general director of Economics and Statistics of the Bank of Spain, Pablo Hernández de Cos, there are unknowns about how it will correct the deficit in 2015 already that fiscal policies will have a negative impact on growth and will produce biases downward.

A very important factor for the suitable financial performance would be the knowledge of subsidies available in the territory.

Condiciones		Deducciones	Duración
Desempleados menores de 30 años o menores de 35 años que tengan reconocido un grado de discapacidad igual o superior al 33%, contratados a tiempo parcial con vinculación formativa	Plantilla inferior a 250 trabajadores	Reducción del 100% de la cuota empresarial a la S. S. por contingencias comunes	12 meses
	Plantilla igual o superior a 250 trabajadores	Reducción del 75% de la cuota empresarial a la S. S. por contingencias comunes	-prorrogable 12 meses más-
Desempleado menor de 30 años o menor de 35 años que tenga reconocido un grado de discapacidad igual o superior al 33% -sin vinculación laboral anterior con la empresa-	Plantilla igual o inferior a 9 trabajadores -Microempresas-	Reducción del 100% de la cuota empresarial a la S. S. por contingencias comunes	Primer año de contrato
Desempleados de edad igual o superior a 45 años inscritos ininterrumpidamente como en la Oficina de Empleo al menos durante 12 meses en los 18 meses anteriores a la contratación o beneficiarios del programa de recualificación profesional	Trabajadores por cuenta propia menores de 30 años o menores de 35 años que tengan reconocido un grado de discapacidad igual o superior al 33% y sin asalariados -Proyectos de emprendimiento joven-	Reducción del 100% de cuota empresarial de la Seguridad Social	12 meses
Contratos en prácticas celebrados con menores de 30 años o con menores de 35 años que tengan reconocido un grado de discapacidad igual o superior al 33%		Reducción del 50% de la cuota empresarial de la Seguridad Social por contingencias comunes (xxi)	Todo el contrato
Desempleados menores de 30 años o menores de 35 años que tengan reconocido un grado de discapacidad igual o superior al 33%	incorporados a cooperativas o sociedades laborales como socios trabajadores o de trabajo	Bonificación de: • 137,50€/mes (1 ^{er} año) • 66,67€/mes (2 ^o y 3 ^o año)	Tres años
Desempleados mayores de 30 años		Bonificación de 66,67€/mes (800€/año)	
Excluidos sociales menores de 30 años o menores de 35 años que tengan reconocido un grado de discapacidad igual o superior al 33% contratados en empresas de inserción		Bonificación de 137,50€/mes (1.650€/año)	Todo el contrato (3 años contrato indef.)

Figure 10: Incentives in Social Security matters for the promotion of youth employment

Source: Bonificaciones/Reducciones a la contratación laboral (2016)

3.2.1.2 Economic factors

Currently the World economic situation is marked by a deep economic and financial crisis that affects practically all sectors of activity. In the case of Spain, this crisis is still more accentuated with very high rates of unemployment that reduce consumptions and a great financial depression which harms the commercial activity of the companies.

According to the article 'indicadores de actividad del sector servicios de la Comunitat Valenciana' issued by the Valencian Institute of Statistics index of general turnover of the Comunidad Valenciana for the month of June 2016, has increased 4.5% over the same month of the previous year. Nationally, the increase was 4.9%.

By sectors, the amount of turnover has increased in the Commerce sector (4.1%); the trade to the retail has increased 5.4%. Among other services, there have been increases in the sectors of transport and storage (0,1%), hospitality (6.2%), information and communications (7,7%), professional, scientific and technical (17.6%) and administrative activities and ancillary services (1.6%).

	Comunitat Valenciana			España		
	Índice	% de variación		Índice	% de variación	
		anual	media de lo que va de año		anual	media de lo que va de año
Índice general	109,2	4,5	5,2	107,5	4,9	4,3
Comercio	106,6	4,1	5,1	105,8	4,6	3,8
Comercio al por menor ⁽¹⁾	102,4	5,4	3,4	97,3	3,5	2,0
Otros servicios	115,2	5,4	5,2	110,5	5,3	5,3
Transporte y almacenamiento	119,8	0,1	1,8	114,8	2,0	1,9
Hostelería	127,7	6,2	6,2	119,5	7,6	7,2
Información y comunicaciones	88,5	7,7	7,2	100,7	6,4	5,5
Actividades profesionales, científicas y técnicas	126,1	17,6	13,1	107,0	7,9	7,8
Actividades administrativas y servicios auxiliares	97,3	1,6	2,5	118,1	4,4	6,9

Figure 11: Turnover index: Comunitat Valenciana and Spain

Source: IVE (Instituto Nacional Valenciano de Estadística)

On the other hand, the index of general staff occupied in the Valencian Community for the month of June in 2016 has increased 2.2% on the same month of the previous year. Nationally, the increase was 2.3%.

By sectors, the employed personnel has increased in the trade sector (2.2%); in the trade to the retail, busy staff has increased a 2.8%. Among other services, there have been increases in the transport and storage sectors (2.1%), hospitality (4.0%), information and communication (0.1%) and professional, scientific and technical (1.5%); there is no variation in administrative activities and auxiliary services (0%).

	Índice de personal ocupado: Comunitat Valenciana y España					
	Comunitat Valenciana			España		
	Índice	% de variación		Índice	% de variación	
anual		media de lo que va de año	anual		media de lo que va de año	
Índice general	99,1	2,2	2,2	101,6	2,3	2,3
Comercio	98,7	2,2	2,4	98,8	2,0	2,1
Comercio al por menor ⁽¹⁾	101,9	2,8	2,6	98,8	1,7	1,6
Otros servicios	99,3	2,1	2,0	103,5	2,6	2,5
Transporte y almacenamiento	95,3	2,1	1,9	99,0	1,7	1,8
Hostelería	110,0	4,0	3,6	107,4	2,9	2,8
Información y comunicaciones	90,2	0,1	0,6	97,4	1,4	1,8
Actividades profesionales, científicas y técnicas	91,7	1,5	1,3	98,9	1,7	1,5
Actividades administrativas y servicios auxiliares	96,2	0,0	0,6	109,2	4,1	3,8

Figure 12: Employed Personnel Index: Comunitat Valenciana and Spain

Source: IVE (Instituto Nacional Valenciano de Estadística)

3.2.1.3 Socio-cultural factors

According to José Aragonés, managing partner of T4 franchises 'we are experiencing a big change in the dining options where innovation and differentiation are the two key concepts. It is essential to adapt models to the needs of the consumer and the market. Ahead of the user's demand is the key to success to surprise him with an offer that is different from he had experienced until then'.

Organic food are more present in the world today. Therefore, it is important to know the needs and the new organic customer profile.

Spanish ecological production boasts the largest area and one of the largest ecological productive structures of the European Union and the World. In what refers to the surface are 1.756.574 hectares and a number of 34.227 producers in the year 2012.

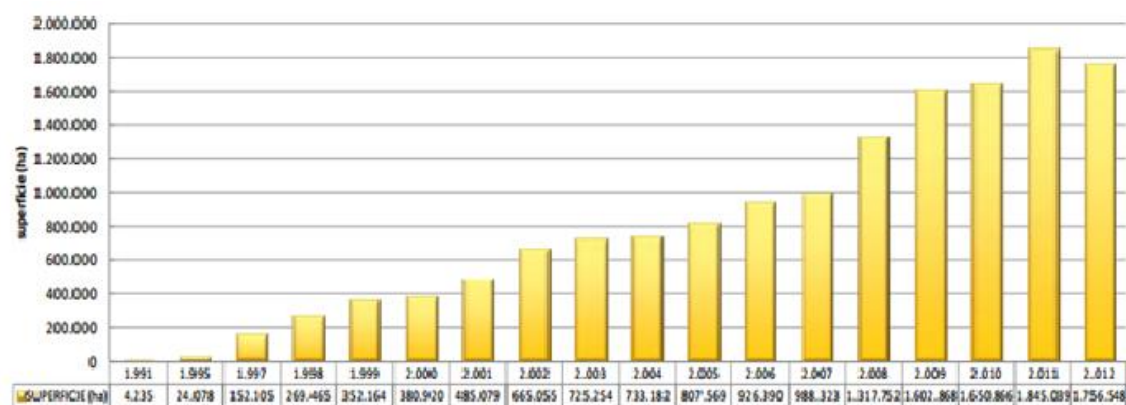


Figure 13: Evolution of the ecological production (1991-2012)

Source: “Evolución de la caracterización de la tipología y perfil sociodemográfico del consumidor de alimentos ecológicos en España” (2014)

According to the study ' Caracterización de la tipología y perfil sociodemográfico del consumidor de alimentos ecológicos en España' 26% of the population is aware about the ecological products and consume them one a month. Within the 450 respondents, it can be noted that there are more women than men, with an average age of 40 years, with good education and good economic level.

The study detected that the main ecological products which consume this kind of customers are fresh fruits and vegetables, from here other types of organic food are

introduced taking into account the needs of customers. In addition, consumers of organic products are characterized by belonging to upper middle class, with an average age of 43 years, and 53% of the customers are women.

Internet and social networks are the best means to publicize the organic foods and promote their consumption, with the help of FEPECO (Spanish Federation of Companies with Organic Products) intends to give awareness of the advantages of organic food, to propose actions to be more competitive in markets and that these foods become increasingly more to all consumers.

According to 'Global Food and Drink Market' in 2016 the interest for a healthier life will be reflected in the production of alternative foods that provide new sources of protein to replace traditional foods which will increase the consumption of natural products and artificial preservatives. Companies that want to keep the consumers must to modify production processes to remove any artificial component into foods.

Another factor to be treated is tourism, according to the article 'Encuesta de gasto turístico' carried out by the National Institute of Statistics 'total spending of international tourists visiting Spain in July increases a 7.0% compared to the same month of the previous year while the average daily expenditure is located in €130, a 5.5% more than in July 2015.

Major emitting countries in the level of spending are United Kingdom (with 21,7%), Germany (12.8%) and France (9.6%).

Datos mensuales								
	Gasto total (millones de euros)	Variación anual	Gasto medio por turista (euros)	Variación anual	Gasto medio diario (euros)	Variación anual	Duración media del viaje (días)	Variación anual
TOTAL	10.257	7,0	1.072	-2,1	130	5,5	8,3	-7,2
Alemania	1.309	0,4	1.024	-3,0	122	8,8	8,4	-10,8
Francia	981	19,0	644	4,6	82	-0,5	7,9	5,2
Italia	374	-2,1	832	-4,2	111	-2,6	7,5	-1,7
Países nórdicos	834	14,9	1.248	0,0	121	0,6	10,3	-0,6
Reino Unido	2.228	13,0	1.014	1,4	123	3,0	8,2	-1,6
Resto del mundo	4.532	3,5	1.312	-4,4	163	12,6	8,1	-15,1

Figure 14: Expenditure of tourists according to countries of residence

Source: INE (Instituto nacional de Estadística) (2016)

3.2.1.4 Technological factors

A software solution thought to bars and restaurants could realize an integral management of the business in real time would be the use of an integrated system for the management of restaurants.

The integral system for the management of restaurants is especially designed for those restaurants in which the time is an important variable for its economy and for those that simply wish to offer a better service to their customers, giving them a different way of information and attention of their needs. Currently, the management of orders of the customers, the transmission of the orders to the kitchen, the proposition of suggestions, advertising and management of various business modules, it has been carried out in the same way for many years. The use of this type of tool presents a broad margin of improves in all of the daily processes that are performed in the attention and service to customers of a restaurant.

It is a major modernization of the most important sector in Spain, as it is the catering sector, which is the basis of reception of tourism, the motor of the national economy, providing a greater functionality to the restaurants, perfecting their management, reducing unnecessary time and therefore improving the service offered to customers.

New technology is the future of bars, hotels, restaurants and all kinds of catering business. With the use of new technologies, i.e. use of tablets, Ipads, mobile applications, it makes to improve the user experience, it improves waiting for service and it improves the teamwork.

Would be possible with the use of these new technologies to raise sales?

According to the article '10 ways Technology Will Rock Your Dining Experience in 2014' of the magazine which is about the world of business and finance called Forbes:

- The use of applications to improve the speed of orders, touch screen so that customers can make and customize their orders.
- Table ordering, play, use Internet until paying the bill.
- Platforms of digital games and entertainment, these applications are designed to improve the customer's experience while waiting for their meal because of offering digital games to have fun.

- Applications of customer's loyalty, apps for restaurants, where consumers receive a reward for their loyalty by promoting interaction in social networks at the same time.
- Taking advantage of the current trend where customers love to upload photos of all kinds in social networks, creating a proper application to do so. And how a restaurant could get that a customer who is used to upload the photos to Facebook or Instagram upload them to the restaurant's application? Easy, giving them a prize. Each photo a customer uploads, it will have a series of points that he could redeem for products in the store. It consists of a good strategy of loyalty and social use.
- Apps for the payment from their phones. Starbucks has been one of the pioneers catering companies in using new technologies in restaurants.

3.2.1.5 Ecological factors

Environmental aspects have gained great importance in recent years, so it is very important to take into account this section. Thus, the integration of environmental management within the company can improve its competitiveness by reducing costs for the company and the end user, to improve the eco-efficiency of the Organization, and to generate new sources of income, as for example, by identifying waste that could be used by other companies as raw materials.

The Comunidad Valenciana has a lot awareness with the environmental improvement and it is for this reason that they have been launched initiatives as the Comprehensive Plan to promote glass recycling in Summer, supported by more than 2700 bars of the community.

Initiative awareness and provision of resources to the hospitality industry aims to increase the recycling of glass in the Summer period, the time of year in which almost one-third of the annual total is recycled. Summer is one of the moments of greatest increase in tourism and consumption and, therefore, one of the key periods to work for the preservation of our beaches and coastlines.

Another very important factor for environmental sustainability is the use of environment friendly lighting, LED. The use of low consumption lamps gives rise to a lower consumption of energy, low maintenance cost, a longer durability so it is longer its useful life and a reduction of light pollution. They are manufactured with recyclable materials, without containing polluting elements such as mercury and it can reach until a 40% of saving energy.

3.2.1.6 Legal factors

At this point it is going to be analysed the laws that affect the establishment of our business.

In general terms, the restoration tourist settlements (bars, restaurants and café) are basically regulated in terms of health, hygiene, safety and disabled accessibility. Although there are state laws, the truth is that the autonomous communities have transferred competencies in management of tourism, and only in its absence, will govern the first:

State regulations

- The rule to which is subjected the activity of the restoration at the State level is **the order of March 17, 1965** (BOE on March 29, 1965), which approves the tourist restaurant management, Ministry of information and tourism. This part of the regulation has been amended by **the order of 29th July 1978** (BOE of 19th July 1978), the Ministry of Commerce and tourism.

The legislation contains:

- Definition of restaurants and it creates exclusions.
- It regulates competences (today replaced by provisions on organic competencies of the autonomous communities).
- It orders the approval of establishments.
- It establishes regime of prices, advertising of dishes, billing on what has been presenting, autonomous dispositions which come to replace in their respective territories the present rule regarding this matter.
- It regulated the categories and their requirements.
- **Act 13/1982 of 7th April**, Social Integration of the disabled people.
- **Royal Decree 3484/2000, of 29th December**, establishing standards of hygiene for the preparation, distribution and trade of prepared food.

- **Royal Decree 475/2007, of April 13th**, whereby approves the national classification of economic activities in 2009 (CNAE-2009). The CNAE-2009 went into effect on January 1st, 2009, and is classified by the restaurants and food stalls with the code 5610.
- **Law 42/2010 of 30th December** (anti-tobacco law), which modifies Law 28/2005, of 26th December, health measures against the tobacco and regulating the sale, supply, consumption and advertising of tobacco products. It is a reform that directly affects the dining options, banning smoking in all public closed spaces, including bars, restaurants, and other entertainment venues.

Autonomous Normative

- **Decree 7/2009, 9th January**, of the regulatory Council of settlements of restoration of the Comunidad Valenciana. The legislation contains:
 - Restoration companies will have consideration of places open to public and its access will be free, without prejudice that may be established conditions for admission in accordance with provisions by the Decree 197/2008 of 5th December, the Council, which regulated law, the reserve and the service for admission to establishments intended for the realization of show public and recreation activities, or standard that will replace it.
 - Those establishments that disposing of kitchen and dining room with independent, with or without bar, offer to the public, by means of prize, food and beverage to be consumed at the same local. These establishments must have dishes and drinks menu.
 - Menus of drinks and dishes must be legible and accurate in the presentation, and shall not contain erasures or manipulations that may lead to confuse the customer.
- **Law Decree 2/2012, on 13th January**, the Council, on urgent measures to support entrepreneurship and to entrepreneurs, micro-enterprises and small and medium-sized enterprises (SMEs) in the region of Valencia.

3.2.2 Analysis of Porter's Five Forces Model

In this part of the analysis it is going to be described the five Forces of Porter:

3.2.2.1 Bargaining power of customers

In the case of the place analysed in this work, the seasons of the year will influence somehow in this local, so that in Summer the company will have a high-powered negotiator against customers, because of the location of the company (Benicàssim), there is much influx of tourists in Summer, therefore this large amount of tourists will allow the business to enjoy much customers, in other words, the demand at this time is enough to cover all the existent offer.

On the other hand, in Winter the situation changes dramatically, since the influx of tourists diminishes significantly and therefore the business begins to have fewer customers and with it, there is more competition between them. So, the negotiation that is set in this period by the customers, is greater, since they will have more variety choice, in other words, at this stage, the offer will be greater than the demand.

3.2.2.2 Bargaining power of suppliers

The company has a high degree of bargaining power against suppliers in terms of main food used by 'EL MONTADITO S.L.' which is the bread, since it is a product which has many suppliers in the territory. With regard to other suppliers, the company negotiates with a number of suppliers to get this, so that the bargaining power is balanced between the two sides.

3.2.2.3 The threat of new competing entrants

From 2008, i.e., the beginning of the crisis in Spain, the hospitality industry is the sector that most high self-employed record has experiences. A sector where you could easily enter if you have product of higher quality than the existing ones, or lower prizes. Currently, the generated benefits in Catering are not as high as in previous years, therefore new entrepreneurs do not have too much initiative to enter into the sector. If someone decides to be entering to the catering sector he would not find strong barriers to entry since it is a sector where investment is relatively low compared to other sectors and there is no need for specific technology to develop the operations of the company.

3.2.2.4 Threat of substitute products.

It can be found 2 kinds of preference in the consumers. On the one hand is people that wants to have dinner or lunch where the main competitors could be any other restaurant that offers a service of dinner, it can be highlighted the different types of food as the Chinese food, kebabs; and on the other hand it could be find people who wants to eat something specific, for example something made with bread, and here it can be highlighted the sandwiches. An example of substitute products would be to open a business of sandwiches such as Pans&Company or Panetto.

3.2.2.5 Rivalry between competitors.

In the catering sector we have a sector where the number of competitors that exist is very very high. The emergence of new firms has led to a drop in prizes. It is a sector which is in fade of mature., because it is carried out an increase of offers that have come to better adjust the needs of the customers. Therefore, there is a high degree of rivalry between competitors. This has led to the catering companies to think about strategies in order to improve its position in the market.

3.3 SWOT

Once done both internal, external, financial and value chain analysis, the next step is to perform a SWOT analysis taking the previously seen data.

- **Weaknesses**

- Lack by the company of different means of communication, in which it could be find the lack of a website or a proper application by the company.
- Lack of a comprehensive system for the management of the restaurant to offer a better service to its clients, providing them with a different form of information and addressing their needs.
- Since the chef is who creates the 'montaditos', there is a lack of experience of the kitchen helpers in the creation of them.
- Lack of vegetarian food.

- **Threats**
 - Uncertainty of the current political.
 - Since people are more interested in healthy food, there are new changes in the food habit.
 - Emergence of new restaurants with home delivery.
 - High concentration of restaurants in the area.
 - Few customers in Winter because of a reduction of tourism.
- **Strengths**
 - Specialization in 'creative cuisine'.
 - Privileged position by being located in a tourist place.
 - High bargaining power with suppliers of its main product.
 - To survive and even to increase the business in times of crisis.
- **Opportunities**
 - Incentives for employment of young people.
 - Increase of turnover in Summer due to tourism.
 - Adapt to the new profile of the eco-friendly consumer.
 - New ways of distributing the product.

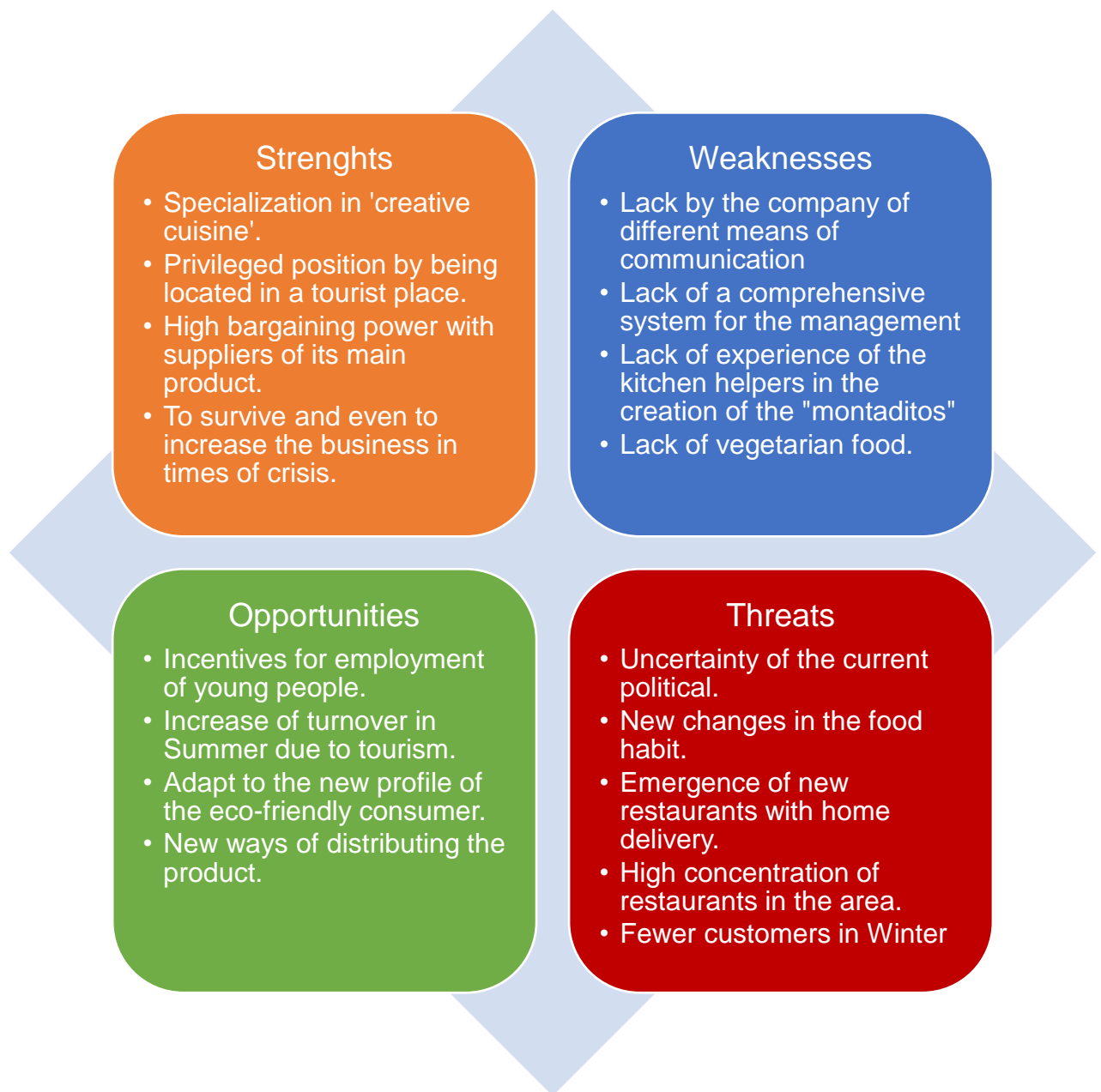


Figure 15: SWOT

Source: Own Elaboration

3.4 Strategic objectives

Taking into account the Scorecard methodology, then is indicated the different strategic objectives of each perspective.

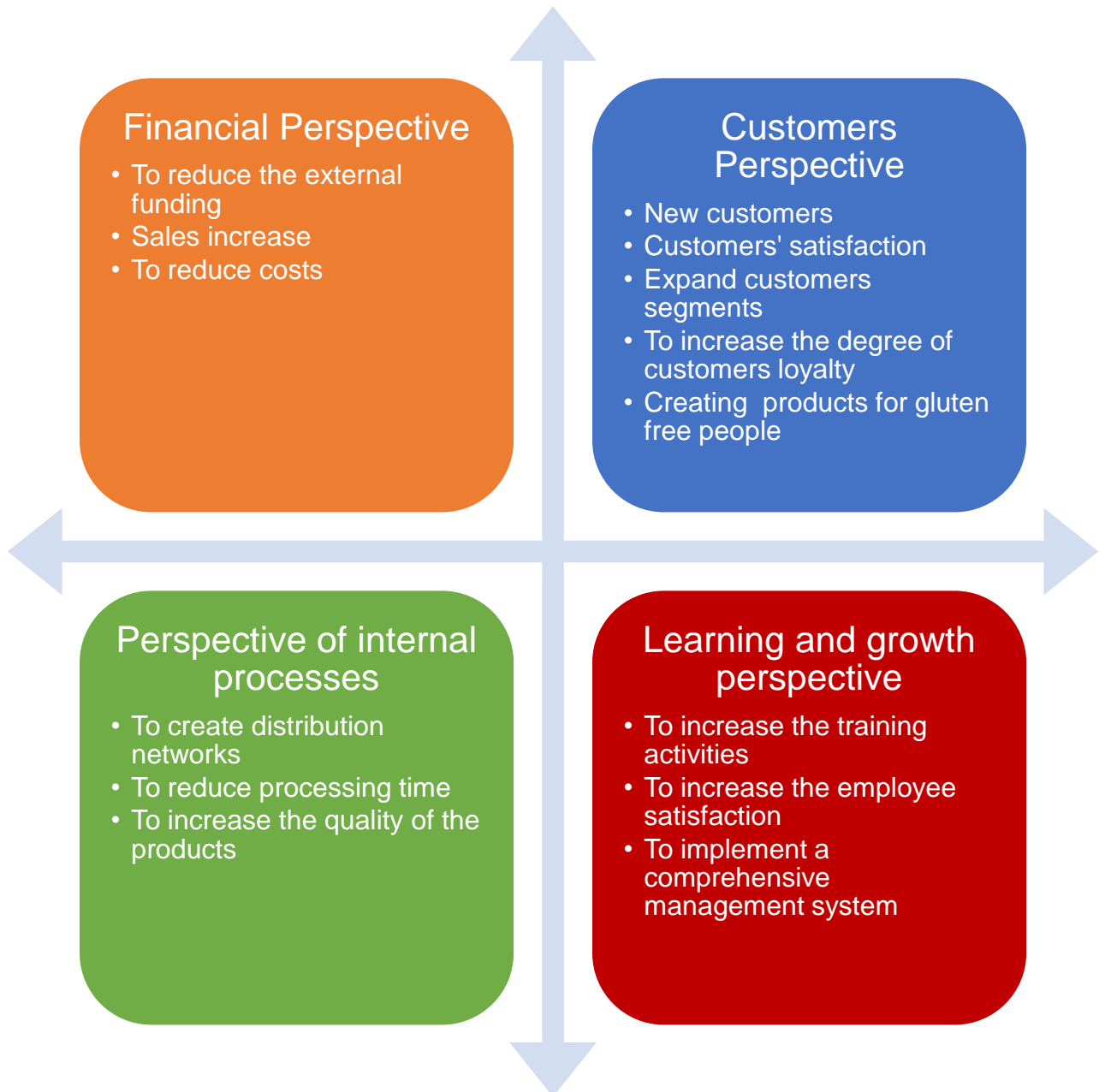


Figure 16: The strategic objectives of 'MONTADITOS S.L.'

Source: Own Elaboration

3.5 Description of the proposed objectives

3.5.1 Financial perspective

- To reduce the external funding: objective that consists in decrease the financial resources that the company gets of external form to finance the business. As decreasing the funding, the company will reduce those interests that it has with the banks that which will get to a long term saving.
- Sales increase: the aim in this section will be to increase the sales of 'montaditos' specifically it intends to create a web page for the company, which will provide a variety of information (existing 'montaditos', new 'montaditos' which go created, types of bread, vegetable 'montaditos' and so on) on products traded on the local.
- To reduce costs: the goal at this point is to reduce the costs of raw materials and more specifically in the bread, the main product of 'montaditos', through the preparation of this item directly from the company and not by a third party at is currently being done.

3.5.2 Customers perspective

- New customers: the objective will be to increase the number of new customers, through the incorporation of new marketing mechanisms that allow to spread in a more extensive advertising the product. To promote the business of all the external websites that have advertising and reviews on restaurants and using existing networks, such as Facebook, Twitter, Snapchat.
- Customers' satisfaction: this objective is essential, since once created the website for the company, it will be carried out surveys in it where the customer estimates the experience that had with food, the service, the quality-prize in the local. And finally with the help of this information 'EL MONTADITO S.L.' will be able to to make improvements which satisfy the customers.
- Expand customers segments: the proposed objective is to get new customers creating new ecological 'montaditos', and as they are consumers on the rise in this sector, who worried about the health and fresh of food.
- To increase the degree of customers loyalty: objective which intends to increase the share of fidelity with the help of a creation of a mobile application. Using this technology the company can connect better with customers showing the menu in depth with photos and descriptions, to guide with GPS to customer until the local,

to publicize the history of the local, its facilities with photos and videos.

- Creating products for gluten free people: because of the segment of people not covered by the company, this objective is to provide gluten free products to people who have intolerance to gluten from wheat, barley, rye and oats. In this way, it could be increased sales and to cover better the market by satisfying the needs of people.

3.5.3 Perspective of internal processes

- To create distribution networks: since it is a sector where depending on the season of the year, it is billed differently, in Summer it will have more billing while in Winter it lows considerably. The objective is to link up with a company like just eat where the company could distribute its 'montaditos' to houses. Therefore this action will increase the sales in the time with less is billed.
- To reduce processing time: the objective at this point will be to increase the working efficiency of the company through a continuing education of its workers. Thus, for example it is intended to form kitchen assistants so that they are able to carry out the development of new 'montaditos', to waiters so that they can offer one faster service but equally efficient to customer and even to the manager so that they can better adapt to all changes currently occurring.
- To increase the quality of the products: using major quality of raw materials, the 'montaditos' will offer to guests a distinctive taste of satisfaction. Therefore the customer will return to enjoy these flavours.

3.5.4 Learning and growth perspective

- To increase the training activities: to make a business work in a good way, the employees must be well formed. Because of this, investing in workers is an important objective for the company. On this way the image of the local will be not tainted by the lack of training of their employees.
- To increase the employee satisfaction: necessary objective to create a habit of optimism and camaraderie, which create enthusiasm ad comfort in the workplace.
- To implement a comprehensive management system: in this last objective which is intended is to improve the technological system of the company through the implementation of a comprehensive management system, i.e., to incorporate

new electronic devices that entail an improvement in the company, for example to improve the efficiency in the service or to create more customer's convenience and entertainment while waiting the service.

3.6 Strategic Map

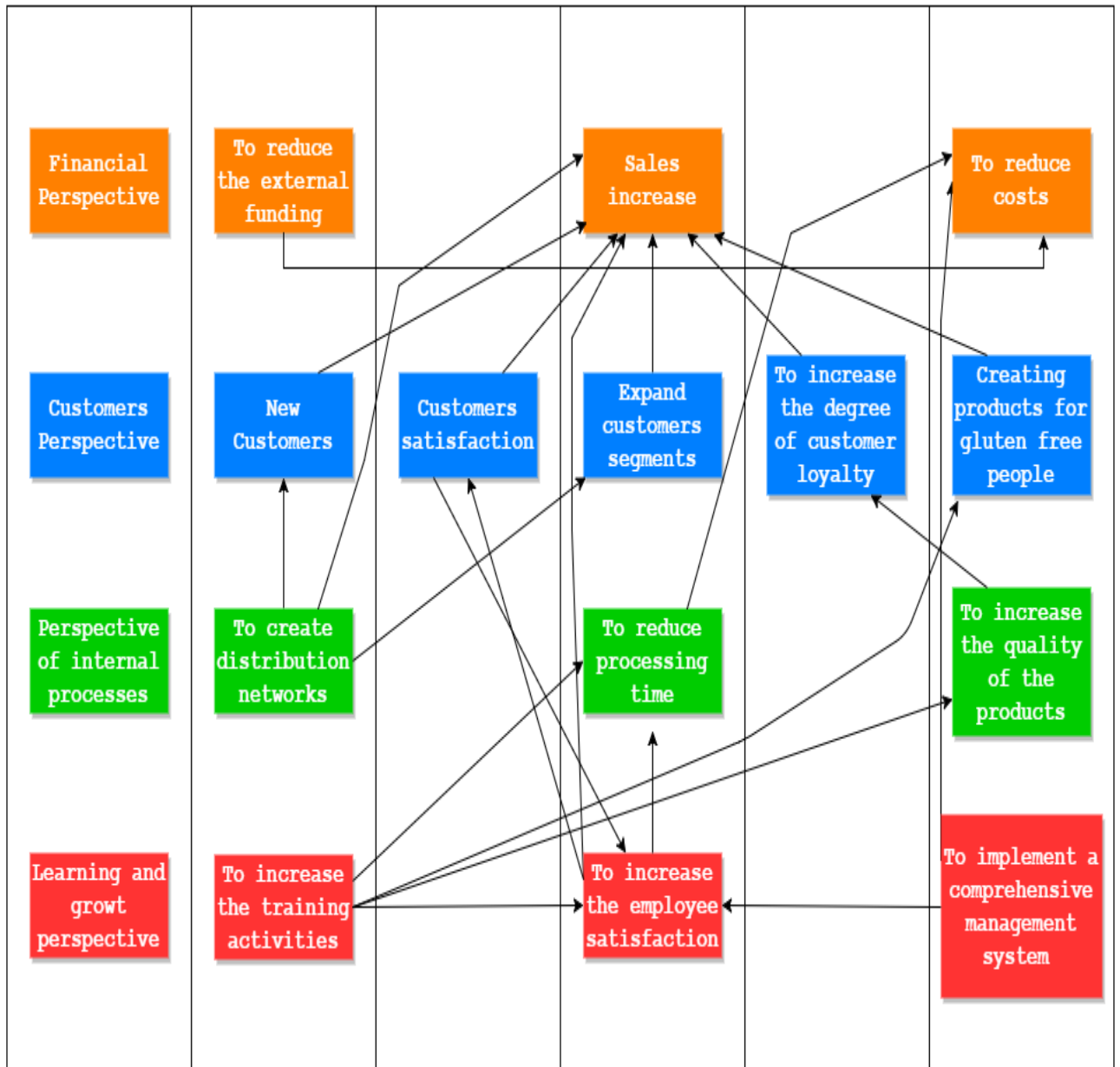


Figure 17: Strategic Map

Source: Own Elaboration

3.7 Strategic indicators

The following table shows the indicators established for each proposed objectives

Perspectiva	Objetivo	Indicador
Financial	To reduce the external funding	Total Debt
Financial	Sales increase	Index of growth in sales
Financial	To reduce costs	Operations Result
Customers	New customers	Number of customers
Customers	Customers' satisfaction	Assessment of image to customers
Customers	Expand customers segments	New customers
Customers	To increase the degree of customers loyalty	Number of downloads
Customers	Creating products for gluten free people	Sell of gluten free products
Internal Processes	To create distribution networks	Number of orders
Internal Processes	To reduce processing time	Cycle of processing time
Internal Processes	To increase the quality of the products	Level of satisfaction
Learning and Growth	To increase the training activities	Training costs
Learning and Growth	To increase the employee satisfaction	Number of satisfied employees
Learning and Growth	To implement a comprehensive management system	New technology of information

Table 5: Strategic Indicators

Source: Own Elaboration

Once established indicators for each objective, each of them will be detailed by its corresponding tab.

Financial perspective		
Strategic goal: To reduce the external funding		
Indicator: Total Debt		
Review: Annual	Unit of measure: %	Method of calculating: Debt year t/ Debt year t-1
Action: To negotiate the interest rate with the bank		

Table 6: Objective 1

Financial perspective		
Strategic goal: Sales increase		
Indicator: Index of growth in sales		
Review: Annual	Unit of measure: %	Method of calculating: Initial year sales t/ Initial year sales t-1
Action: Creation of an own webpage		

Table 7: Objective 2

Financial perspective		
Strategic goal: To reduce costs		
Indicator: Operations Result		
Review: Annual	Unit of measure: %	Method of calculating: Diference of first year cost – final year cost
Action: To make the main product of the company, in this case the bread		

Table 8: Objetivo 3

Customers perspective		
Strategic goal: New customers		
Indicator: Number of customers		
Review: Quarterly	Unit of measure: Number	Method of calculating: Diference between quarter initial – Quarter final
Action: To become more involved in social networks with constant information for customers		

Table 9: Objetivo 4

Customers perspective		
Strategic goal: Customers' satisfaction		
Indicator: Assessment of image to customers		
Review: Six-month	Unit of measure: %	Method of calculating: To measure food score, price, quality/price about 10
Action: To monitor surveys through own website of the company		

Table 10: Objetivo 5

Customers perspective		
Strategic goal: Expand customers segments		
Indicator: New customers		
Review: Six-month	Unit of measure: Number	Method of calculating: Number of sold units
Action: Creation of new ecological "montaditos"		

Table 11: Objetivo 6

Customers perspective		
Strategic goal: To increase the degree of customers loyalty		
Indicator: Number of downloads		
Review: Quarterly	Unit of measure: Number	Method of calculating: To measure application downloads
Action: Creation of an own mobile application for the company		

Table 12: Objetivo 7

Customers perspective		
Strategic goal: Creating products for gluten free people		
Indicator: Sell of gluten free products		
Review: Quarterly	Unit of measure: Number	Method of calculating: Produced quantity – Sold quantity
Action: To provide this kind of food		

Table 13: Objetivo 8

Internal processes perspective		
Strategic goal: To create distribution networks		
Indicator: Number of orders		
Review: Monthly	Unit of measure: Number	Method of calculating: Number of orders received
Action: To register in "just eat"		

Table 14: Objetivo 9

Internal processes perspective		
Strategic goal: To reduce processing time		
Indicator: Cycle of processing time		
Review: Quarterly	Unit of measure: Number	Method of calculating: Time to create "montaditos"
Action: To train kitchen assistants		

Table 15: Objetivo 10

Internal processes perspective		
Strategic goal: To increase the quality of the products		
Indicator: Level of satisfaction		
Review: Annual	Unit of measure: Number	Method of calculating: To carry out a survey on the quality of the products
Action: To improve the quality of raw materials		

Table 16: Objetivo 11

Learning and growth perspective		
Strategic goal: To increase the training activities		
Indicator: Training costs		
Review: Annual	Unit of measure: Number	Method of calculating: Cost of training
Action: Targeting employees to training		

Table 17: Objetivo 12

Learning and growth perspective		
Strategic goal: To increase the employee satisfaction		
Indicator: Number of satisfied employees		
Review: Quarterly	Unit of measure: Number	Method of calculating: Mailbox of suggestions
Action: To create an optimal workplace		

Table 18: Objetivo 13

Learning and growth perspective		
Strategic goal: To implement a comprehensive management system		
Indicator: New technology of information		
Review: Six-month	Unit of measure: Number	Method of calculating: Cost of the new technology
Action: To incorporate new electronic devices		

Table 19: Objetivo 14

3.8. Balanced Scorecard of “MONTADITOS S.L.”

Once the BSC is implemented, it would be analysed if the indicators goals are achieved by doing the proposed actions. Through the BSC, the strategies development can be followed and will be able to measure it. The entire organization should be be involved in achieving the objectives, propose actions to avoid the mistakes of the past and look for opportunities for improvement in future.

Perspective	Goal	Indicator	Action	Now	Future
Financial perspective	To reduce the external funding	Total Debt	To negotiate the interest rate with the bank	55%	50%
Financial perspective	Sales increase	Index of growth in sales	Promotion Creation of webpages	2%	4%
Financial perspective	To reduce costs	Operations Result	To make the main product of the company	70%	65%
Customers perspective	New customers	Number of customers	Promotion of social networks	0	20
Customers perspective	Customers' satisfaction	Assessment of image to customers	Surveys in the website	0	85%
Customers perspective	Expand customers segments	New customers	Creation of new ecological “montaditos”	0	10
Customers perspective	To increase the degree of customers loyalty	Number of downloads	Creation of an APP	0	50

Customers perspective	Creating products for gluten free people	Sell of gluten free products	To provide this kind of food	0	10
Internal Processes	To create distribution networks	Number of orders	Register in "justeat"	0	25
Internal Processes	To reduce processing time	Cycle of processing time	To train kitchen assistants	10	9
Internal Processes	To increase the quality of the products	Level of satisfaction	Improve the quality of raw materials	7 over 10	8 over 10
Learning and Growth	To increase the training activities	Training costs	Go to training courses	0	2000 euros
Learning and Growth	To increase the employee satisfaction	Number of satisfied employees	To create an optimal workplace	0	10
Learning and Growth	To implement a comprehensive management system	New tecnology of information	Incorporate new electronic devices	0	5000 euros

Tabla 20: Balanced Scorecard of "MONTADITOS S.L."

Source: Own Elaboration

4. CONCLUSIONS

The objective of this final degree project has consisted in the elaboration of a strategic plan for a SME based on the used of the scorecard. Tool that has served to help to the company to place in at each time, allowing it to know where is located and enabling the correction of those aspects which are required.

The company has been analysed to identify major internal and external factors for which was affected by and which could constitute weaknesses, strengths, threats or opportunities for the business. Subsequently it has been elaborated the SWOT corresponding to the study conducted on the company. Despite the threats present in the environment, it has been also found opportunities that the company should use to expand their activities and to increase its sales.

Once the SWOT has been obtained, it has been raised the different objectives that conform more to the needs of the company and it has been proceeded to the development of the scorecard. Having detailed the proposed objectives with their perspectives, the next step has been to fix its indicators and to elaborate the action plan to be followed.

The company must evolve to new horizons using the technology and the motivational employees as the aim to achive a growth of the firm. In one hand, motivation of employees plays a key role in the achievement of goals and objectives. A motivated workforce will make the firm be more productive. By the other hand technology is the most important in the society, owing the application of technology lead to the evolution of newer and faster modes of transport and communication thus firms should take advantage of it to increase theyre growth of companies.

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