

Strategic Thinking: a Resource to Generate Value and Cross the Valley of Death of SMEs

Galvarino Casanueva-Yáñez¹, Jorge Torres-Vásquez², Mitzi Linares-Vizcarra³, Milena Lukich-Valdivia⁴, Evelyn Montero-Zuñiga⁵, Reina Pérez-Vargas⁶, Claudia Torres-Calvimonte⁷, Raúl Rengifo-Lozano⁸

¹ Facultad de Ingeniería y Negocios Universidad de Las Américas, Sede Providencia, Manuel Montt 948, Santiago, Chile galvarino.casanueva@edu.udla.cl

² Universidad Privada San Juan Bautista, Lima Perú.

jorge.torres@upsjb.edu.pe ORCID: <https://Orcid.org/0000-0001-7861-9071>

³ Universidad Nacional Jorge Basadre Grohmann, Tacna, Perú.

mlinaresv@unjbg.edu.pe ORCID: <https://orcid.org/0000-0003-0471-8856>

⁴ Universidad Nacional Jorge Basadre Grohmann, Tacna, Perú.

mlukichv@unjbg.edu.pe ORCID: <https://orcid.org/0009-0009-4511-6756>

⁵ Universidad Nacional Jorge Basadre Grohmann, Tacna, Perú.

emonteroz@unjbg.edu.pe ORCID: <https://orcid.org/0000-0003-0761-1763>

⁶ Universidad César Vallejo, Lima, Perú.

reinita2perez@gmail.com ORCID: <https://orcid.org/0000-0002-2031-9495>

⁷ Santa Cruz de la Sierra. claudiatorrescalvimontes@gmail.com

ORCID: <https://orcid.org/0000-0001-6520-5662>

⁸ Universidad Nacional Mayor de San Marcos, Lima, Perú.

rrengifolo@unmsm.edu.pe ORCID: <https://orcid.org/0000-0002-6545-6442>

* Correspondence: galvarino.casanueva@edu.udla.cl; Providencia, Manuel Montt 948, Santiago, Chile.

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ABSTRACT

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The most challenging period for a company is the first three years following its inception, a period often referred to as the "valley of death." This article examines the factors contributing to the high mortality rate of small and medium-sized enterprises (SMEs) in the town of Melipilla, Chile, and presents potential strategies for reducing or preventing this mortality. The study employs an exploratory-descriptive approach, utilizing a qualitative methodology and a cross-sectional sample size collected through convenience sampling and semi-structured interviews. Upon analysis of the aforementioned data, it becomes evident that contemporary SMEs have more convenient access to capital, technology, information, and financing. These resources, which were once considered distinctive and crucial for competitive advantage, are no

longer as pivotal in generating value. Conversely, the findings highlight the pivotal role of human resources and their strategic management in developing distinctive competencies, which are essential for SMEs to create value and ensure long-term sustainability.

Keywords: Small and Medium Enterprises (SMEs); Value Generation; Human Resources Management; Competitive Advantage; Strategic Thinking

1. Introduction

The essence of small and medium-sized enterprises (SMEs) is the generation of value. In the contemporary era, capital, technology, information, and financing are more readily accessible to this category of organization, or at least to the companies that represent the competitive landscape. Consequently, these factors are no longer distinctive resources that generate decisive competitive advantages. In light of the aforementioned considerations, it is clear that SMEs must identify the resources that will enable them to gain a competitive advantage and, consequently, to overcome the so-called "valley of death" and achieve long-term economic and financial sustainability. It is therefore essential that these resources be an inexhaustible source of distinctive resources, which, depending on the form of their management and the strategic thinking employed, will afford the company a more advantageous position with respect to the competition.

In this context, the research conducted in a group of SMEs from diverse productive sectors in a town in Chile (Melipilla) identifies the management of human resources and a strategic thinking approach as a means of generating value for these companies. In particular, the role of the staff must be regarded as an inexhaustible source of competitive advantage and as a genuine business resource.

In conclusion, the article, which is the result of the aforementioned research, is entitled "Value Proposition." The Business Solution Model for SMEs in the town of Melipilla, Chile, presents a novel approach to designing and managing human resources from a business perspective, employing strategic thinking. It is therefore evident that companies require a diverse and adaptable range of human resources portfolios, comprising innovative solutions to market demands, as well as a tangible value proposition, commitments, and performance indicators that assess the quality of the service delivered. In order to make a qualitative leap towards competitiveness, it is necessary to subject the management practices to the scrutiny of the market, which must evaluate its performance. The issue is evident: the decisions made by individuals within an organization can either contribute to or detract from the overall economic value of the entity. It is not always evident that many companies are aware of this reality. Furthermore, many universities are unable to recreate or reinvent the careers they offer to companies with new professionals who possess new visions of the world and business.

In consequence, the study proposes a framework for human resource management that aims to transform people and their management into a source of competitive advantage through a strategic thinking approach. This approach entails a clear definition of the strategy, strategic thinking, and plans from which the human resources strategy must emanate, with the latter subordinated to the former. This novel approach to human resource management, founded upon strategic thinking and the creation of value through the utilization of human capital, will enable organizations to expand and evolve to a greater extent than is currently projected, exceeding the established mortality rates associated with the "valley of death" phenomenon observed in Chilean SMEs.

It is evident that the human resources comprising talented employees are not transferable. This implies that such individuals cannot simultaneously be available to a specific economic organization and its competitors. It is accurate to conclude that all companies have the capacity to cultivate talent. However,

an individual with exceptional abilities will only be accessible to a specific company unless the organization permits the talented employee to depart, as it has been unable to implement policies to retain them. As posited by Osterwalder et al. (2015, foreword), a business model delineates the fundamental tenets upon which a company generates, disseminates, and appropriates value. Conversely, as posited by the same authors, it is referred to as value creation.

"to the set of benefits of the value proposition that is designed to attract a customer, and that this value proposition is an accurate description and easy for a customer to understand and identify about what you are contributing to solve their problem."(p.25)

It is incumbent upon companies to plan their revenues and profits, which they do through a business model that defines the guidelines to be developed to attract customers, among other issues related to the configuration of the organization's resources. In relation to this planning, Osterwalder & Pigneur (2011, foreword) stated that *the field of innovation in business models is evolving by leaps and bounds*. In this innovation, and in agreement with González (2005, p. xv), *it is evident and urgent that human resources must be a source of competitive advantage for any company*. The same author (González, 2005, p.1) points out that *this model of business solutions requires starting from a clear definition of the strategy and business plans from which the Human Resources strategy should emanate and where the subordination of the latter to the former should be evident*.

The importance of business models being focused on talent management by the organization and Human Resources in particular is increasingly evident, and according to García (2012, p. 23) who state that, *Likewise, it was observed that, in business praxis, managers focus the generation of value on shareholders and customers in the first instance; then, workers appear as a key interest group for organizational interests*. Conversely, small and medium-sized enterprises (SMEs) must undertake continuous process measurement if they are to facilitate growth, development and continued competitive market positioning. A company that is unable or unwilling to measure its processes and/or activities will be unable to identify areas for improvement, including potential areas for enhanced management. It is evident that measuring employee contributions is significant and offers numerous benefits to organizations. It enables the monitoring and improvement of performance, ultimately leading to enhanced productivity.

Once the indicators have been established and defined, it is possible to implement several changes. These include redesigning the workloads of different positions, modifying supervisory and management styles, providing support for learning and training processes, modifying or changing business policies, eliminating unproductive practices within the organization, and so on. In the second case, the objective is to enhance productivity by providing fair compensation for performance. It can be reasonably concluded that the strategic function of the human resources area is aimed at enabling each employee to develop the necessary and sufficient competencies that allow them to contribute to the generation of value for the economic organization in which they work. However, for this to be feasible, the job description must be aligned with the business strategy that has been formulated, implemented, and developed by the company.

In the contemporary era, career plans are no longer a mandatory component of the employment relationship. This shift reflects a broader societal trend where long-term working relationships are less common, and career development is less structured. The evident decrease in the length of the work life cycle has resulted in a corresponding decrease in the loyalty between companies and their employees. This has led to the urgent need to develop a new relationship between companies and talented employees, where the creation of systems of opportunities is essential. These systems must be supported by flexibility and profitability, as well as real and effective skills systems that deliver measurable results. These systems should be set in motion by the company's own interests.

The significant challenge that organizations must address in the contemporary business environment is to facilitate enhanced employee productivity, thereby enabling the generation of value. This can be achieved when the company is able to align its organizational structure with the selected, implemented, and developed strategy. It can be reasonably deduced that the aforementioned proposition is feasible if the company in question designs an organizational structure that is truly required, as opposed to one that is merely assumed to be so. It is imperative that SMEs implement a Human Resources function that develops portfolios of products and/or services, thereby facilitating the creation of value and establishing the means of production. In order to achieve this, it is crucial to recognize that value is determined by the outcomes achieved by the company. It is imperative that the Human Resources department possess comprehensive knowledge of the company's business operations, strategic plans, and future actions. They must also understand the company's processes, customer portfolio, and unique competitive advantages that enable value creation. This knowledge provides the Human Resources area with the requisite input to capture information and identify the multiple potential needs of all the organization's internal customers, thereby enabling the establishment and construction of the portfolio of valuable products and/or services. To illustrate, in response to the following question: What are the requisite inputs for the Human Resources function in order to enhance the productivity of its employees? The ability to construct a portfolio and provide products and/or services to operational departments renders the Human Resources function a strategic partner within the organization.

For instance, the Human Resources department could conceivably develop a portfolio of three to four high-impact products for the business. To illustrate, the "Knowledge Management" product is designed for organizations that utilize high knowledge management as a strategic foundation for their business operations. This constitutes a formidable and highly competitive asset that enables effective engagement with the market. The objective of the Human Resources department is to project, execute, and inspect the capitalization, supply, and utilization of the specialized knowledge that key collaborators possess within the organization. The product is generated based on the premise that a significant portion of the value produced by the business is derived from the specialized knowledge possessed by some employees in relation to operations and their management. This includes the identification and subsequent detection of opportunities within the market.

One of the primary deficiencies of Chilean SMEs is the dearth of strategic thinking that would facilitate the cultivation of a culture. Furthermore, culture represents a crucial factor for organizational success, serving as a unifying force, a source of motivation, and a means of fostering a sense of belonging among members. Additionally, it provides the foundation for fostering innovation and business growth. Consequently, the challenge for every entrepreneur and SME owner is to establish a robust culture, grounded in their unique perspective and understanding of the business, which enables them to cultivate an enthusiastic and distinctive work environment.

The research demonstrates that SMEs can achieve business growth and development through the strategic integration of technological innovation, human resource management, and strategic thinking. This entails the formulation and execution of a comprehensive action plan and the creation of development scenarios that engage and benefit all stakeholders, leading to competitive and comparative advantages. However, this is contingent upon the development of strategic thinking and strategic planning from human resources management. The study was conducted through a survey of 45 companies in the city of Melipilla, Chile, employing the methodology proposed by Daft (2005), *Those who posit that a distinct competitive strategy is necessary contend that a company must select a series of activities that differ from those selected by its competitors. This approach is designed to offer a unique and valuable combination of offerings.*

SMEs are confronted with intricate challenges and numerous complexities during their nascent stages, a period often referred to as the "valley of death." This phase is characterized by a stark dichotomy: either the enterprise persists, or it fails. It is during the "valley of death" that many entrepreneurs' less

tangible abilities and aptitudes are revealed. These individuals serve to maintain group cohesion, pursuing a goal that was established from the outset with an unwavering vision. It is at this juncture that one encounters individuals who demonstrate perseverance, inexhaustible resolve, and an unwavering conviction in their ability to succeed, regardless of obstacles. Such individuals demonstrate a remarkable capacity for motivation, despite the knowledge that their circumstances are becoming increasingly challenging. They persevere in the face of adversity, maintaining their efforts despite the apparent deterioration in their circumstances. It is essential that the entrepreneurial team demonstrate a high level of determination. However, the deployment of effective strategies, strategic thinking, and strategic planning is also of paramount importance.

The behavior of managers and/or entrepreneurs (which are not part of this study) and the use of appropriate tools (which are the central theme of this article) allow for the development of a strategic analysis that serves to support the decision-making of organizations regarding their current and future actions in order to adapt to changes and demands of the environment, to be more efficient, to have the resources to achieve a certain effect, and to be effective in achieving the desired or expected effect, as well as to improve the quality of the goods or services they offer. In the context of the ongoing pandemic, a growing body of recent research indicates that SMEs have been significantly impacted by the global crisis associated with the novel coronavirus (Covid-19). As Gourinchas et al. (2020) observe:

"Estimate, for a sample of 17 countries, that the SME bankruptcy rate has increased by 9 percentage points, in the absence of government support, which could be attenuated by 0.7 points of GDP and 3% of employment if the affected industries are supported with direct aid."

Indeed, Humphries et al. (2020) find that *growth expectations for small businesses 14 in the United States have deteriorated due to difficulties in accessing government aid. On the other hand, Fairlie (2020) presents evidence for SMEs in the United States that in the first month of health restrictions, the number of smaller active companies fell by 22%, recovering slightly in the following month.* The evidence suggests that SMEs have not only been significantly impacted by the pandemic, but also that access to aid has not been consistently optimal. Furthermore, it is evident that a significant proportion of SMEs do not leverage their human resources effectively as a means of value creation. Additionally, there is a notable absence of strategic thinking in their management approaches. Consequently, these organizations face a considerable challenge in navigating the so-called "valley of death," a term used to describe the period of intense competition and uncertainty that many startups face during their early stages of development.

1.1 Strategy

A strategy is defined as the principal course of action selected and implemented to obtain one or more objectives. One of the most significant challenges in strategy formulation is that strategies must be distinctive in relation to competitors. Strategic planning represents the overarching framework designed to achieve the institutional objectives of the organization. Its fundamental objective is to establish general guidelines for action. In accordance with the definition proposed by Hill and Jones (2009), a strategy can be defined as a set of structured actions that managers adopt with the objective of improving the performance of their company.

In contrast, David (2007) defines strategic management as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Hax and Majluf (1995) posit that a strategy serves as a foundational conceptual framework through which an organization can substantiate its continued existence while facilitating its adaptation to a changing environment.

1.2 Strategic Thinking

Strategic thinking can be defined as the foundation for strategic decision-making processes, as it aims to guarantee the long-term viability (or survival) of the company. An effective strategic thinker is able to align their daily actions with the long-term objectives of the company. As Davis (2007) notes, the process of strategic management can be described as an objective, logical, and systematic approach to making important decisions within an organizational context. The same author subsequently asserts that the majority of individuals recognize, based on past experiences, that their intuitive judgment and emotional responses are essential for making sound strategic decisions. In relation to the concept of integrating intuition and analysis, David (2007) posits that in decision-making, the choice between an intuitive or an analytical approach is not an exclusive one. Conversely, Morrissey (1996) raises the question of who the strategic thinkers are and how they should function, differentiating the act of strategic thinking from the process of strategic management.

The primary attributes of strategic thinking are its role in strategic planning, its capacity to provide perspective, and the likelihood that the most successful managers will be those who are able to cultivate innovative strategic thinking within their organizations. This permits the identification and accentuation of the distinctions between strategic planning and strategic thinking. Consequently, strategic planning identifies and delivers critical success factors (CSFs), demonstrates the company's current position and future direction, and develops an analysis of internal strengths, external weaknesses, potential opportunities, and inherent threats (SWOT).

According to Armijo (2009), Strategic Planning:

"...is a management tool that supports the decision-making of organizations regarding the current work and the path they must take in the future to adapt to the changes and demands imposed by the environment and achieve the greatest efficiency, effectiveness, quality in the goods and services that are provided."

On the other hand, strategic thinking defines the Critical Success Factors (CSFs) appropriate for the different scenarios foreseen; it evaluates different scenarios in order to obtain the business goal; and its formula: $1FCE + 1SWOT = 3$ times more probability of achieving objectives. The great contribution of scholars on the subject under analysis is that a term responsible for producing an organizational strategy is clarified and therefore, of great importance in strategic thinking: **The vision**. It should be added that strategic thinking is not a set of theories, but a point of view: **It is the point of view of the business strategist who sees the world differently**. According to (Gerstein, 1988),

"The strategist visualizes the activities of companies as they are developed in the competitive market, not as they are understood by management. The strategist sees the company from the outside, from the outside, as if his internal tasks were projected on a large screen by means of a magic lantern located in its center. This, unlike the operational manager, who sees the company from the inside out. Changing one's point of view is essential for the development of strategic thinking. The most logical starting point is perhaps the definition of the strategy itself."

In this sense, strategic planning defines the company's current position and future direction, as well as the desired long-term trajectory. This process necessarily entails delineating the temporal space within which the organization will operate. Prior to undertaking this step, it is essential to ensure that the strategic planning process is not reduced to an abstract concept, as this would render the SWOT analysis similarly abstract.

1.3. Human Resources: How to generate value from strategic thinking and strategic planning?

What are the reasons for the importance of strategic planning? It is of great importance for company managers and professionals to engage in strategic thinking through their ideas, thoughts, and actions.

It is these collaborators who will inquire as to the means by which they will be able to enhance the new positioning they aspire to for their company within the established timeframe. Once this has been established, the different scenarios in which the organization can advance in order to achieve its desired outcomes will be evaluated. In González's view (2011), *strategic thinking is useful for developing plans or programs designed to achieve future goals and use available resources. The development of a strategy allows for the design of approaches, which help to meet the challenges posed by the future.*

In order for a scenario to be utilized in strategic planning, it must be defined in a manner that incorporates Critical Success Factors (CSFs), which are differentiators specific to the context in question. It is indubitable that these CSFs are fundamental and decisive for achieving results. In the event that a company lacks these factors or only possesses them in part, it will ultimately be unable to achieve the entirety of the desired results. In the absence of such a determination, the feasibility of conducting a SWOT analysis for each factor is precluded. It is reasonable to conclude that companies that develop and implement strategic planning based on this formula will find it to be a significant departure from traditional approaches. In accordance with the aforementioned principles, **the formula of Strategic Thinking is: 1 CSF + 1 SWOT of that factor = 3 times more probability of achievement.** The formula demonstrates the significance of developing a SWOT in a general sense rather than focusing on a specific determining factor of the results, such as a CSF. It would be beneficial to ascertain whether it is feasible to identify these factors mathematically. Indeed, an Excel template has been developed to facilitate the calculations and expedite the identification process (Club Command Board). In accordance with González's methodology (2011):

"Strategic plans are processes of reflection by all the agents interested in a specific process (the city, a specific sector of it, a territory, etc....) through which they define the future they wish to develop, the bases on which to sustain it, and concrete projects to be executed throughout the defined time horizon".

The application of strategic thinking is a valuable asset for any organization seeking to gain and maintain a competitive advantage. The foundation of strategic thinking is a relentless pursuit of improvement. It is through innovation and creativity that strategic thinking develops a vision of the future of a company, which is then used to create a strategic plan. It is through strategic thinking that managers can identify and capitalize on current market opportunities, thereby guiding the company toward a new and more successful future. This also permits the formulation and implementation of a business model in which the strategy is divided into two categories. On the one hand, it can be developed through an innovative, creative, and intelligent process that stimulates an open exchange of ideas and solutions to address the dynamic and often unpredictable challenges that are encountered in today's economy. This is strategic thinking. On the other hand, it can be applied in a systematic and logical manner to address a wide range of management approaches, including the development and implementation of a company's strategic planning.

Strategic thinking represents a distinct mode of thought that draws upon intuition and creativity, thereby facilitating an integrated perspective of the company. It is constructed and developed as an activity of individual thinking that favors the company and its purpose. Undoubtedly, the objective is to identify competitive strategies that will enable the company to occupy a significantly different position in relation to its current situation. According to González (2011), *the three characteristics of strategic thinking that are worth considering separately are: change, innovation, and improvisation.*

According to Chaves (2016), at present, *the task of research in administrative sciences is of great relevance for society since we live immersed in commercial, economic, and labor relations at the local, regional, national, and international levels.* Within the field of administrative sciences, quantitative methods have been employed and a praxis has been generated through the positivist paradigm. However, it is essential to consider alternative perspectives that can enhance the methodology in this field and complement existing research studies.

It is imperative to investigate the issue of the high mortality rate of SMEs at their inception. This investigation must place human resources in their proper context, considering their role in the development and success or failure of economic projects. It must also consider the need for a change in business culture with regard to this issue. In the face of the initial crisis, the first action taken by many businesses is to eliminate a portion of their human resources *in order to reduce costs*. The study of the contribution of people to companies must be strategic, measurable and guiding a sustainable progress. Society urgently requires the generation of value from SMEs and the employee must be its central axis. It is not enough to create generic models where human resources take a back seat and are not considered as *part of the SME's interest group*. This is urgently needed! The issue must be a priority for researchers, universities and the State

According to Casanueva, G. (Doctoral thesis, 2020, p.1)

"The scenario has changed for all the companies that make up the so-called SMEs and, today, all the factors that contribute to generating value (technology, financing, markets and information) are available and, therefore, within everyone's reach, or at least for all the companies that make up an organization's competition. It is urgent for SMEs (small and medium-sized enterprises) to innovatively develop business models to capture, retain and distribute value among their stakeholders."

In alignment with González (2005, p. xv), it is evident and imperative that human resources must serve as a source of competitive advantage for any company. The same author notes that *this model of business solutions requires a clear definition of the strategy and business plans from which the human resources strategy must emanate, with the latter subordinate to the former* (González, 2005, p. 32). It is evident that talented collaborators currently comprise human resources that are not transferable, meaning they cannot be managed by a particular economic organization and its competence simultaneously. It is accurate to conclude that all companies have the potential to cultivate talent. However, an individual with exceptional abilities will only be accessible to a specific organization if that organization is willing to allow the talented employee to depart, given that the organization has been unable to implement effective strategies to retain that individual.

Multiple and varied articles have been written on the importance of human resource training for organizations to be sustainable over time from an economic and financial point of view, such as, for example, Senclier (2012, p. 4) mentions:

"In recent years we have observed how the increase in competition and the need to improve the management of human resources in SMEs are closely related. But it is striking that the particularities of SMEs are not being considered to face the effects of competitiveness and globalization on the sector. The impact of the human factor has been analyzed and researched in the SME sector, but it has been found that it is subsequently not incorporated into the systems for measuring and improving human resources management. For this reason, this study proposes a review of human resources management models, incorporating the employee as a key element in the development of services and in customer loyalty and satisfaction."

For his part, Sánchez (2020) comments on *the problems that SMEs have for not implementing training strategies for human resources in the different areas of the company, which would avoid problems and lead to success*. In this sense, Rocha, L. A., & Rodríguez Martínez, E. P. (2015) affirms *the importance and decisive role played by the presence of the "human resources area" in SMEs. Despite what the deficient practices of a significant percentage of SMEs in Colombia (30%) reveal*.

A review of the existing literature and recent theoretical constructs reveals that the discourse remains generic and fails to identify the underlying causes of the high mortality rate of SMEs. Specifically, there is a dearth of analysis that elucidates the strategic importance of human resources management and the

training of employees. Indeed, Cárdenas Gómez, L., & Fecci Pérez, E. (2017) state that *the intention of this article is to propose a management model, based on continuous improvement, that facilitates the small and medium-sized entrepreneur to develop a constant innovative activity, in accordance with the technological changes that occur continuously, and in this way, increase flexibility and the capacity to respond to changes in the environment.* The above approach helps, but it does not solve the problem.

This is also the case of Camba and Paguay (2019), who argue:

"Train employees to provide excellent customer service, the proposal is to publicize the relevance of offering a good exclusive service in small and medium-sized companies, in this research study it was established to collect necessary information to find the shortcomings that businesses have today in the field of customer service, establish changes and implement improvements when it comes to serving the user through of the service offered by each business and in the city of Milagro, the project was focused based on the importance of having a strategy of training personnel according to the results of the surveys carried out and allowing them to contribute to the development of SMEs."

While the aforementioned references are beneficial, they do not provide a comprehensive solution to the problem. Indeed, an emphasis on the distinctive characteristics of the company's resources, particularly those of its employees, will enable organizations to maintain a competitive advantage across all of their processes. The question thus arises as to how value can be generated in the absence of capital and technology as the primary differentiating factor in competitiveness for companies. An increasingly accepted answer to this question is found in the need for companies to generate singularities, and fundamentally "with and for" employees. This can produce competitive advantages that create value and involve other members of the "interest group," such as customers, owners of capital, etc. These advantages can be created with respect to the competition and the community. In the contemporary era, the role of employees is of paramount importance. Consequently, it is imperative to consistently propose business solutions through models that generate competitive advantage for the human resources domain.

It is essential for SMEs to prioritize the alignment of their human competency structure with the specific characteristics of their organizational structure, operational processes, and desired outcomes. This structure must encompass the knowledge, and skills required for the position in question, including its implicit responsibilities. In other words, the objective is to structure a system of competencies that is aligned with the company and the expected results. It is only through this approach that value can be created through the management of talent within the organization. This is achieved through the implementation of appropriate training, compensation, development, working conditions, and, most importantly, the promotion of management styles that facilitate the continuous development of the necessary competencies.

2. Results

There were several causes identified in the study that originate the high mortality of the SMEs under the study indicates that these organizations fail to create sufficient value for their "interest group" and are unable to traverse the "valley of death," which in Chile spans three and a half years. It further elucidates the causes that have been previously identified in traditional literature and studies on the subject, namely the minimal importance that owners, managers, and/or administrators of SMEs ascribe to their employees in generating value within their companies. Indeed, 70% of those surveyed indicated that they do not consider their employees to be essential for generating value in their organizations. This is because they prioritize management based on an owner who is always present, has comprehensive knowledge, and exercises control. This approach to work resembles that of a craftsman or a neighborhood store, where employees are merely assistants. Consequently, human resources are

not developed with distinctive competencies that can be leveraged to gain competitive advantages in the generation of value for SMEs.

Another noteworthy finding from the aforementioned study, which served as the author's doctoral thesis, is that 75% of the SMEs in the selected sample indicate that they currently have easier access to capital, technology, information, and financing than other organizations in their field. Consequently, these factors are no longer unique resources that provide decisive competitive advantages for value creation, let alone for navigating the "valley of death." Conversely, the research revealed that 55% of respondents lacked sufficient knowledge of business administration, 80% were unaware of the concept of "strategic thinking," and 75% were unfamiliar with the principles of strategic planning and direction as they relate to their businesses. The research demonstrates that one of the primary deficiencies of Chilean SMEs is their failure to recognize their human capital as a valuable asset that can drive innovation and growth. Additionally, the absence of strategic thinking hinders the development of a professional culture that fosters excellence in operations. Furthermore, culture represents a critical factor for organizational success, serving as a unifying force, a source of motivation, and a means of fostering a sense of belonging among members. Additionally, it provides the necessary environment for fostering innovation and business growth. Consequently, the objective for any entrepreneur or SME owner should be to establish a robust culture, founded upon their unique perspective and interpretation of the business, which enables them to cultivate an enthusiastic and distinctive work environment.

3. Discussion

The findings of the study demonstrate the critical necessity for small and medium-sized enterprises (SMEs) to adopt a systematic approach to technological innovation that aligns with their business philosophy, human resource management strategies, and strategic thinking. This implies the formulation and implementation of a comprehensive action plan and the construction of development scenarios that engage and benefit all stakeholders, resulting in competitive and comparative advantages. However, this is contingent upon the development of strategic thinking and strategic planning in general, and human resources management in particular. In this context, the individual responsible for human resources management "must know about the business" and align their area of expertise with the SME's global strategy.

4. Materials and Methods

The research was developed with an exploratory-descriptive scope, a qualitative approach, a cross-sectional type of period of completion, a sample size for "convenience," and through semi-structured interviews for data collection. A total of 45 entrepreneurs, managers, and/or administrators of companies in the city of Melipilla, Chile, were surveyed as part of this study. A semi-structured interview was developed as a data collection instrument, employing a question-based questionnaire. Of the convenience sample, comprising 45 entrepreneurs, the semi-structured interview was applied to 20% of the selected size, or 9 entrepreneurs from the same population under study, in order to validate the instrument and obtain the data required for the research. Subsequently, the 45 interviews were conducted with the defined sample size. The data collection instruments included: (a) Characteristics sheet and semi-structured interview guide: These were prepared by the researcher to collect personal data and information on social coexistence, recent events in the respondents' personal lives, family composition, hobbies, and physical activities.

(b) Questionnaire: The research was developed with an exploratory-descriptive scope, with a qualitative approach, a cross-sectional type (period of completion), with a sample size for "convenience," and through semi-structured interviews for data collection. The study was conducted through the administration of a survey to a sample of 45 entrepreneurs, managers, and/or administrators of companies in the city of Melipilla, Chile. In-depth interviews were conducted with individuals occupying pivotal roles within their respective organizations, exerting influence over

decision-making and strategic planning processes. These interviews were conducted during the months of July, August, and September 2018. The questionnaire comprised 15 questions, among which were inquiries regarding the respondents' perceptions of value generation and the distribution of this value among their "interest group." Although the interviewees requested that the topics be treated as strictly confidential, the decision was made to keep their names confidential as well. This explains the decision to select and define a sample for convenience in the present research, given the high complexity of the profiles of each interviewee involved in the selected sample and the information involved in the study.

5. Conclusions

It can be concluded that for small and medium-sized enterprises (SMEs) to generate value and navigate the valley of death, they must first recognize their employees as a distinctive resource capable of generating competitive advantage. It is thus imperative that the strategic function of the human resources area is oriented towards ensuring that each employee develops the requisite and sufficient skills to enable them to contribute to the generation of value for the economic organization in which they work. However, for this to be feasible, the job description must be aligned with the business strategy that has been formulated, implemented, and developed by the company.

In the contemporary era, career plans are no longer a mandatory component of the employment relationship. This shift reflects a broader societal trend where long-term working relationships are less common, and career development is less structured. The reduction in the length of the work life cycle has resulted in a decline in the loyalty between companies and their employees. This has led to the urgent necessity for the development of a novel relationship between companies and talented employees. The creation of opportunities, supported by flexibility and profitability, is a crucial aspect of this new relationship. These opportunities must be aligned with the company's interests and driven by effective skills systems that yield quantifiable outcomes.

Secondly, it is essential to acknowledge that small and medium-sized enterprises (SMEs) must develop and implement effective strategies. A strategy is defined as the principal courses of action selected and implemented to obtain one or more objectives. One of the most significant challenges in strategy development is the necessity for uniqueness in relation to competitors. Strategic planning represents the overarching framework that guides the organization in achieving its institutional objectives. Its fundamental objective is to establish comprehensive guidelines for action. However, in order to achieve the aforementioned points, it is essential to cultivate strategic thinking among SMEs, enabling them to capitalize on the current market opportunities and propel the company towards a new and more prosperous future. This also permits the formulation and implementation of a business model in which the strategy is divided into two domains. On the one hand, it can be conceived within an innovative, creative, and intelligent process that stimulates an open exchange of ideas and solutions to address the dynamic and often unpredictable challenges that are encountered in today's economy (strategic thinking). On the other hand, it can be developed and implemented as a systematic and logical application of strategies that addresses a wide range of management approaches, including the development and implementation of a company's strategic planning (strategic planning).

Strategic thinking represents a distinct mode of cognition that draws upon intuition and creativity to attain an integrated perspective of the enterprise. It is constructed and developed as an activity of individual thinking that favors the company and its purpose. The objective is to identify competitive strategies that will enable the company to occupy a significantly different position in relation to its current situation. In his 2011 work, González identifies three key characteristics of strategic thinking that warrant further examination: change, innovation, and improvisation. It is evident that the proposal of "Generating value with people" The utilization of strategic thinking in order to traverse the "valley of death" faced by SMEs does not guarantee, with absolute certainty, the survival and sustainable

development of these organizations. However, it does provide a greater probability of success when viewed from an economic and financial standpoint.

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