

# Chapter 11

## Model of Modernization for Organizational Management Component Evaluation:

**Albert Dario Arias**  
EAN University, Colombia

**Adolfo Hernandez**  
EAN University, Colombia

**Rafael Ignacio Pérez-Uribe**  
EAN University, Colombia

### ABSTRACT

*The chapter proposes a simple—in light of previous evaluations of the instrument used in Excel in the MMGO model—methodology for each of the stages, giving particularly appropriate values for components that require statistical representativeness. In the end, the sum of the components analyzed and the comprehensive income of the company, which allows us to provide a proposal for adequate solution to establish reliable stadium set to support components of the company in order to improve the presentation of the results, is presented to facilitate an analysis of any organization. In this case, its implementation is presented in the medium enterprise Excellence located in Bogotá D.C.*

### INTRODUCTION

The phenomenon of commercial opening in Latin America has led companies to think of efficiency and productivity to reach adequate levels of competitiveness. However, the current situation of SME births and growth in Latin America is marked by a high level of uncertainty and nervousness, mainly due to the political and economic instability of the region (Suárez, 2013). Therefore, although micro-enterprises and small and medium-sized enterprises (SMEs), which make up 99% of the industrial fabric, generate the majority of jobs, their productivity is notably low relative to that of large enterprises. Productivity in Latin America continues at the levels of the previous decades. The production gap between large and small enterprises is very high CEPAL (2017).

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From this perspective, the understanding and development of models for the management of medium and small companies as well as the development of competencies, skills and tools that contribute to the formation of business leaders represent a challenge for high academic standards competitive in the region (Suárez, 2013). The Organization for Economic Co-operation and Development (OECD) have found that approximately three-quarters of the potential for growth in productive capacity comes from appropriation of management models and existing best practices, or improvements to catch up. The quarter left comes from operational, commercial and technological innovations.

Given this context, this chapter presents the evaluation of the MMGO (Model of Modernization for Organizational Management) and the subsequent adjustment of it to strengthen the analysis in the companies from diverse organizational components and their levels of intervention through the improvement routes for achieve leading practice levels in organizational management. In this way, business interventions through the practical application of theory represent the basis for generating knowledge within the economic and social dynamics (Pérez-Uribe, 2011).

The Modernization Model for Organizational Management (MMGO) is a management model developed by the management research group for large, small and medium-sized enterprises (G3pymes) of EAN University. "It allows to evaluate in an integral and systemic way the state of the organization, facilitating the establishment of priorities for the projects of modernization in the management, proposing descriptors of the activities and elements with which the company must count, defining the routes that allow optimizing said Key elements" (Pérez - Uribe, Nieto, Velásquez, Castellanos, Garzón, Vargas, Alfonso, Calixto, Rodríguez, Palacio, López, Vidal & López De Mesa, 2009).

The model has been applied since 2004 in a random way in more than 256 small and medium Colombian enterprises of the service, commercial and manufacturing sector, applying an instrument developed in Excel in order to evaluate sixteen (16) organizational components and their variables and identify the stages of development in the management of the organization, which are valued at four levels (Pérez-Uribe, Nieto-Potes, Velásquez-Contreras, et al.

*Figure 1. MMGO*

*Source: Universidad EAN - MMGO (2009)*



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