

ORIGINAL

Financial strategies applied to current assets of diesel spare parts importers in the district of Riohacha

Estrategias financieras aplicadas a los activos corrientes de las empresas importadoras de repuestos diesel en el distrito de Riohacha

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ABSTRACT

The purpose of the study was to identify the financial strategies applied to current assets in companies importing diesel spare parts in Riohacha, La Guajira. A quantitative and descriptive approach was used, with a non-experimental, cross-sectional, field design. Ten informant units from five companies were surveyed by means of a structured questionnaire using a Likert scale. The results highlighted the importance of current assets for financial and operational health, which can lead to liquidity problems, inefficiencies, lost opportunities and a decrease in profitability. It was concluded that there is potential for improvement in financial management, highlighting liquidity optimization, risk management and adequate financial planning as crucial elements.

Keywords: Strategies; Financial; Assets; Current; Companies.

RESUMEN

El propósito del estudio fue identificar las estrategias financieras aplicadas a los activos corrientes en empresas importadoras de repuestos diesel en Riohacha, La Guajira. Se utilizó un enfoque cuantitativo y descriptivo, con un diseño de campo, transversal no experimental. Se encuestaron 10 unidades informantes de 5 empresas mediante un cuestionario estructurado bajo la escala de Likert. Los resultados destacaron la importancia de los activos corrientes para la salud financiera y operativa, lo que puede dar lugar a problemas de liquidez, ineficiencias, pérdida de oportunidades y una disminución en la rentabilidad. Se concluyó que existe potencial de mejora en la gestión financiera, destacando la optimización de la liquidez, la gestión de riesgos y una planificación financiera adecuada como elementos cruciales.

Palabras clave: Estrategias; Financieras; Activos; Corrientes; Empresas.

INTRODUCTION

Various economic, political and social factors influence the complex, dynamic and constantly changing business environment. These factors have a direct impact on the financial complexity of companies. This situation has a substantial impact on economic and financial performance. Therefore, designing, implementing, and monitoring financial strategies that promote organizations' growth, development, and sustainability and optimize their capital structure is necessary.

However, organizations must develop, implement, and monitor various financial strategies in an uncertain environment. This implies the need to align their efforts towards creating strategies that will allow them to

compete in a market marked by intense competition, lack of financing sources and high costs. As a result, leaders must develop strong management skills to make sound decisions, raise concerns about using resources, and effectively implement strategies efficiently.

The diesel parts sector is vital to the economy, providing essential parts for vehicles and heavy machinery. However, companies in this sector face constant financial challenges, especially in managing their current assets. These assets, which include cash, inventory and accounts receivable, are crucial to the day-to-day running of companies, but managing them efficiently can be a real challenge.

Hence, managing current assets in diesel parts companies faces pressure to balance liquidity and profitability appropriately. On the one hand, it is essential to maintain sufficient cash and inventory availability to meet market demands and deal with unforeseen contingencies. On the other hand, excess current assets can tie up capital and reduce a company's profitability.

In addition, diesel parts companies often operate in a volatile and competitive economic environment, which increases the importance of effective financial management. Fluctuations in product prices, availability of foreign currency for imports and changes in market demand can significantly impact these companies' profitability and financial stability.

Another critical aspect of current asset management in diesel parts companies is the efficient management of accounts receivable and accounts payable. Optimizing the collection and payment cycles can improve the company's liquidity and reduce the risk of delinquency or default, but it requires sound financial strategies and adequate control systems.

In this context, it is essential to identify in detail the financial strategies applied to the current assets of diesel parts companies, detailing the specific challenges they face and proposing innovative solutions to improve their financial management and ensure their sustainability over time.

Financial strategies

In this regard, Francés (2019) defines financial strategies as those that emerge when well-formulated actions are undertaken that allow channelling the efforts and allocating of the resources of an organization, and a unique and viable position is adopted based on internal capabilities (strengths, weaknesses) anticipating changes in the environment and possible movements of the market and its competitors (opportunities and threats)".

Likewise, David (2019) pointed out that strategies are a set of procedures, techniques, others that emerge to the extent that the actions that you want to undertake and must be planned to be able to channel all the available resources that the company has internally are the strengths that constitute competitive advantages and weaknesses that are deficiencies in the performance or fulfilment of its objectives, that is, they are obstacles or limitations that through the strategies applied can improve the competitive position.

Current assets

According to Horngren, Datar, and Rajan (2020, p.98), current assets, also known as short-term, are resources expected to benefit the company beyond the current period. This asset held by the company is in continuous movement. It can be converted into money in less than twelve months, establishing itself as a necessary resource for day-to-day business activities.

In this regard for Garrison, Noreen and Brewer (2023:88), current assets are all those investments expected to be converted into cash by way of sale or use in a short-term period. However, it can also be extended during the financial cycle of the organization to obtain profitability.

Accounts receivable

According to Meza (2017, p. 61), accounts receivable are those values that commit third parties to the company. The existence of accounts receivable originating from business operations and accounts receivable that do not belong to these operations carried out by the company. Accounts receivable that do not arise from business operations are derived from various transactions such as loans to employees and advances to employees given by the company, among others. Accounts receivable derived from the company's operations are amounts customers owe for the sale of goods or services on credit.

In this order of ideas, Brigham and Houston (2020, p. 112) indicate that credits constitute accounts receivable in favour of the company, organized by sales, service providers and other routine operations, and include unsecured customer accounts. It is the set of decisions comprising an organization's credit standards, the methods used to collect receivables, and the procedures for controlling them. Once the company establishes this credit policy, it must evaluate its compliance and whether any changes are necessary. Accounts receivable represent an investment for the company without going overboard as they can be charged.

Inventory

Pombo (2017, p. 63) points out that the inventory is a document where all the company's assets are recorded

in detail, and the elements that constitute the company's assets at a given time are valued. The inventory comprises several aspects: a) a detailed list of the various assets, rights and obligations that constitute the assets of a company at a given date;

b) measurement in physical units or quantitative expression of the various assets and liabilities; and c) valuation by applying the appropriate criteria.

Chase and Jacobs (2022, p. 38) define *inventories* as the stock of any good or resource an organization uses. In the same way, inventories allow one to efficiently manage materials and know what is available instantly and promptly, thus maximizing production and minimizing losses.

METHOD

The methodological framework represents a relevant element in the development of the research process since it allows the formulation of a verification model that facilitates contrasting the facts against the theories presented. This is obtained by establishing patterns that allow leading the study towards valid and reliable results; its primary purpose is to specify the methods that allow highlighting the most significant evidence. For this, it is necessary to consider the approach of Hernández, Fernández and Baptista (2016), who state that Epistemology is the critical/philosophical study of the sciences to determine the origin and result of theories.

For Bernal (2016, p. 67), descriptive research is focused on determining the properties and characteristics of a variable, fact or specific situation. Therefore, they aim to describe the results in terms of a group of variables, determine the most salient characteristics that orient the study and allow consolidation of the general objective. Finally, Hurtado (2012, p. 101) points out that this type of research characterizes an object of study or a specific situation, pointing out its characteristics and properties.

Therefore, the present research is typified as descriptive because it details a particular fact, phenomenon, individual or group to establish its structure or behaviour. This type of research results are located at an intermediate level of scientific depth within the companies under study.

The present research is established within the non-experimental design; since the variable is not manipulated directly, the researcher is limited to observing the phenomena in their natural environment and then analyzing them. For all of the above, the design is established as transversal for the research because the data collection process was carried out in a single period and in terms of the present time where the activities are executed.

Likewise, Hernández et al. (2016) mention that trans-sectional or cross-sectional designs are those that allow the researcher to collect the information in a single moment (i.e. in a single time) to detail variables and analyze their occurrence and interrelation in a time-established by the researcher. In this case, the time will be the moment in which the application of the data collection instrument is carried out, from which the analysis of the results will be carried out to generate reliable information.

According to Bernal (2016, p. 51), the research design is a systematic process to conduct the research; it is an essential stage since it is developed from the specific objectives of the study, showing the procedure the researcher will perform. Considering these considerations, the present research design is established as non-experimental since the researcher does not intervene in the study variables and only observes the reality as it is presented.

Finally, according to Hurtado (2012, p. 36), the field study is research whose purpose is to describe an event by obtaining data from live or direct sources in their natural environment, that is, in the usual context to which they belong, without introducing variable characteristics of any kind. It is essential to mention that the transversal design is considered in relation to the evolution of the phenomenon studied, allowing the variable to be measured in a single application.

The project's population consists of the administrators or financial managers of the companies importing diesel spare parts located in Riohacha, department of La Guajira. The number of companies studied is five (5), totalling twelve (12) informant units without resorting to sampling. About the data collection techniques and instruments, an analysis of the current situation will be applied to obtain information related to short-term financial strategies, which is why the direct participant observation technique will be used.

On this basis, and for this research, the interview will be used as a data collection technique, which will allow us to know the position of the people who were part of the population; this will be achieved through a questionnaire developed and applied by the researchers, which for the cited authors "represents the means that allows the researcher to know what is thought and said about the object of study".

Two Likert scale questionnaires were designed for the present research, offering five response options. These questionnaires will be addressed and applied to the personnel working in the following companies (5) companies importing diesel spare parts are located in Riohacha, La Guajira.

Following the guidelines of Hernández, Fernández and Baptista (2016; 202), we will validate the suitability of the measurement instruments through content validation. This process aims to verify the coherence between the research objectives and the theoretical foundations. To this end, the opinions of 10 experts in financial management, budget management, and research methodology will be sought, and their evaluations

and suggestions will be considered in the final draft of the questionnaire.

According to Chávez (2011; p. 136), reliability is verified to ensure the accuracy of the results when applying an instrument in similar circumstances. To assess it, the questionnaire will be administered to a sample of 10 individuals with characteristics similar to those of the population under study but who are not part of it.

Of the study population. Cronbach's coefficient, particularly suitable for tests with multiple-choice items, will be calculated and carried out on a single occasion.

The data collected to address the research objectives were analyzed using descriptive statistics. According to Chavez (2011), this statistical approach obtains a quantitative overview of the entire data set.

RESULTS AND DISCUSSION

Table 1. Current assets dimension												
Answer Category	Always		Almost always		Sometimes		Almost never		Never		Weighted Average	Arithmetic mean
Indicators	5		4		3		2		1			
	Fa.	%	Fa	%	Fa.	%	Fa.	%	Fa.	%		
Cash	30	83,33	6	16,67	0	0,00	0	0,00	0	0,00	4,92	0,97
Accounts Receivable	18	50	13	36,11	5	13,89	0	0,00	0	0,00	3,99	0,79
Inventories	20	55,55	16	44,45	0	0,00	0	0,00	0	0,00	4,73	0,89
TOTAL	68	62,96	35	32,41	5	13,89	0	0,00	0	0,00	4,54	0,56

Table 1 presents a comprehensive assessment of the “cash” indicator, revealing sound management practices in this area. 83,33 % of the reporting units consistently use the creation of projections to estimate required cash levels, while 16,67 % do so “almost always”. This generalized tendency towards creating financial projections is evidence of proactive and strategic cash management based on a prior analysis of liquidity needs.

In line with the above, the results of the valuation of cash levels show a score of 4,92 and an arithmetic mean of 0,97, in a range that denotes a high degree of presence. These indicators confirm companies' importance to cash management, recognizing its fundamental role in preserving liquidity and financial solvency.

This study, in line with the definition of cash provided by Garrison, Noreen and Brewer (2023), who define it as the money present in cash registers and financial institutions, reveals that the organizations evaluate, manage and monitor the current assets section rigorously. The implementation of established criteria allows for a continuous evaluation of cash flow, ensuring the immediate liquidity necessary to support organizational operations.

Within the scope of the “accounts receivable” indicator, 50 % and 36,11 % of the respondents indicated that they evaluate the turnover of these accounts on a constant and almost constant basis, respectively. This practice allows them to effectively manage accounts receivable and establish appropriate credit terms for their clients. The importance of this aspect is reflected in the value of 3,99 and the standard deviation of 0,79 obtained for the accounts receivable indicator, which indicates the effectiveness in the management and monitoring of these accounts.

In line with the definition of accounts receivable provided by Garrison, Noreen and Brewer (2023), as the amounts pending payment by third parties, this study highlights the relevance of evaluating these accounts in the organizations evaluated. This evaluation focuses on critical aspects such as turnover efficiency, estimation of uncollectible accounts, and analysis of the credit terms granted to customers. These aspects are thoroughly and strategically explored to ensure optimal financial management and to maintain the balance between liquidity and solvency in the organizations' operations. The main objective of this approach is to plan cash inflows and reflect them in expected cash flows.

Within the scope of the “inventory” indicator, 55,55 % and 44,45 % of respondents indicated that they keep their counted and measured inventory constant and nearly constant, respectively. This high degree of presence is reflected in a weighted average of 4,73 and a mean of 0,89.

In line with the vision of Horngren, Datar and Rajan (2020), who define *inventory* as the detailed and valued representation of the elements that make up the company's assets at a specific instant, it can be inferred that this indicator is effectively managed in the companies, which indicates a comprehensive management of the resources that are integrated into the accounting records of the organizations.

The analysis of the “current assets” dimension reveals a weighted average of 4,54, which denotes a considerable presence of this type of assets in the organizations evaluated and in the answers provided by the units of analysis. This result evidences a remarkable consistency in the response options and the successful implementation of current asset evaluation methods to ensure adequate cash, accounts receivable and inventory levels. These measures, in turn, ensure the continuity of organizational processes.

In line with the above, the respondents' answers suggest an effective utilization of current assets within the companies under study. This implies accurate planning of liquid resources, detailed management, and an adequate rotation cycle of accounts receivable and inventory to strengthen liquidity. It is worth noting the low variability in the standard deviation observed in the analysis of the indicators, which is attributed to the efficient application of short-term assets and the uniformity of approaches for their correct execution in the companies. The consistency in the responses collected corroborates this conclusion.

In line with Romero's (2018) definition, the current asset dimension comprises those items that represent cash or are expected to be converted into cash shortly. It also encompasses assets or resources expected to provide an economic benefit in a short period, either through their sale, use, consumption or provision of services. They are generally anticipated to generate earnings in one year or less. These assets include cash, accounts receivable and inventories.

It is essential to highlight the successful integration between the results of the current study and the previous work presented by Pirona (2021). Both studies agree on the importance of controlling cash levels as a critical strategy to evaluate companies' liquidity and effectively use financial surpluses through investment. By establishing that both studies recognize the presence of cash levels that support business operations, they emphasize the importance of not maintaining idle resources and instead choosing to invest them. The connection between cash control and inventory investment in diesel parts importing companies highlights the relevance of effective financial management to meet market needs and maintain an efficient operating flow.

In line with the previous work by Pirona (2021), the results obtained in this study confirm the importance of controlling cash levels as a critical strategy to assess companies' liquidity and, consequently, to invest in identified surpluses. Both studies coincide in the existence of cash levels that act as resources to support business operations. This finding highlights the need for entities to avoid keeping sums of cash tied up and, instead, choose to invest it efficiently.

In line with this perspective, the organizations under analysis employ inventory investment as a strategy to meet the optimal level of provisions and thus meet the needs of their customers promptly. This practice demonstrates effective financial management that seeks to optimize available resources and maximize value for the organization.

CONCLUSIONS

Detailed analysis of the financial strategies applied to current assets in diesel parts companies reveals a high average implementation rate, indicating a significant commitment on the part of these organizations to manage their short-term financial resources efficiently. This high level of implementation suggests a solid understanding of the importance of current assets in the day-to-day operation and overall financial health of companies in the industry. In addition, it demonstrates a remarkable ability to balance liquidity with profitability and adapt to a volatile economic environment.

Profitability, adapt to a volatile economic environment and optimize collection and payment cycles. However, despite this high average implementation, opportunities exist to improve and optimize current asset management, especially in inventory management, reducing collection and payment cycles, and mitigating financial risks. Ultimately, the continued implementation of effective financial strategies related to current assets will remain critical to diesel parts companies' long-term success and sustainability.

Furthermore, these financial strategies applied to current assets highlight significant potential for improvement in their financial management. The optimization of liquidity, risk management, and adequate financial planning are crucial elements that increase the effectiveness of these strategies. Likewise, considering external financing sources is considered a beneficial option to ensure the continuity and success of the company's commercial operations.

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