Chapter 5
Microfinancial Collaborative Economies Business Models and Strategies for Quality of Life Improvement: Case studies for PROMUSAG and UBER

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ABSTRACT

The present chapter analyzes two cases of a joint venture stage to determine the successes and failures undertaken by the PROMUSAG and Uber as a model and strategies of collaborative economies to improve the quality of life. First, it is analyzed PROMUSAG as a program to finance women entrepreneurship aimed to improve the quality of life and the second case aims to analyze the different strategies taken by Uber to join the global market successfully, positioning itself in different countries. The analysis concludes that the empirical knowledge of entrepreneurs, in this case were not sufficient to direct the business to success, and that the lack of structured knowledge and adequate scientific support for this project strongly directed towards the non-permanence on the market. Taking terms as work global, it is considered Uber as a technology-based company and sees it from an overall, same strategy refers to a strategy that follows the company having a worldwide standardized product, another issue that would revise the importance of the theory of institutions.

INTRODUCTION

The Mexican government through the Ministry of Agrarian Reform supports rural entrepreneurship projects. One way is PROMUSAG (program for women in agriculture). This is a support program for rural women entrepreneurs, seeking their integration in the productive sector to earn income to help in the fight against poverty in this rural environment. The support consists of a sum of money to start up
the business to undertake, which is repayable, but it is considered at lost funds. In 2009, hundreds of projects have benefited from PROMUSAG, one of which has been analyzed for this report. This case is featuring nine women in the municipality of San Martin de Hidalgo, Jalisco. In that year, nine women was PROMUSAG order required for each project. The team for this project consisted of women with little or no preparation in business, but the team had a leader with knowledge and skills acquired empirically that gave the project some routing to success. PROMUSAG central requirements requested to be eligible for funding to the various proposals were teams of nine members, all participants should be female, a project to undertake the business detailing emphasizing the distribution of grant money, it is sent to be developed by an engineer in the agricultural area and the last requirement was to have an area of land sufficient to carry out the purpose of the enterprise activity. The venture was marked by the fall in leader’s illness, which conditioned the project to a resounding lack of profitability, this, coupled with the lack of scientific preparation and support scientists generated a mismanagement of resources and capabilities that had the project, bringing this to its final termination in six months.

For decades the transfer of people from one place to another in large cities has been using public transport, taxis, or those with better economic position and resource allows them to move in their own car. That was the traditional way going from one point to another, but with the different changes that occur in society today, technological, economic or related to the environment issues have been marking new ways of moving from one point to another. These new forms also have to do with issues of passenger safety, comfort and other factors.

As a result of these new ways of moving emerges UBER, which for several years start to mark a new trend in moving people from one point to another, especially in big cities around the world. It has its origins in a revised class concept of Strategic Management as it is born global that refers to those companies that are born in global or international markets and are marking a new trend in the way of doing business, taking advantage of the technological changes that have occurred in the world in which today we live. This company considers having a relationship with the technological-based firms that are characterized by being innovative, enough reason to learn more about the same as it was able to study from approaches such as the theory based on institutions and global strategy.

Uber has its origins in 2008 as it tells the story in its page when Travis Kalanick and Garrett Camp could not get a taxi in Paris, which led to an idea to create an application where with just one button, could have a trip. What started with this simple idea is now changing the way people are transported in large cities? According to the Uber definition, it is the smartest way to move and luxury at low cost.

THEORETICAL BACKGROUND

Entrepreneurial Ventures and Life Quality

Quality of life is considered as the set of factors which contribute to the general well-being of people in terms of personal satisfaction with happiness, health, safety, intellectual and cultural preferences, financial security, family life, job satisfaction, etc. Quality of life has been defined as the level of satisfaction with an individual’s conditions, relationships, and surroundings relative to the available alternatives (McGregor & Goldsmith, 1998).

The Business Dictionary defines quality of life as “Daily living enhanced by wholesome food and clean air and water, enjoyment of unfettered open spaces and bodies of water, conservation of wildlife