




Importance of Innovation, Economic Growth and Project Management as Essential Elements for Business Success



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ABSTRACT

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This article explores the relevance of innovation, economic growth, and project management in the business context, highlighting how these factors contribute to obtaining competitive advantages, generating future revenues, and achieving long-term sustainable success. The research focuses on a case study examining the transformation of a bakery into a restaurant, illustrating how the PMBOK (Project Management Body of Knowledge) methodology can be effectively used to manage this type of change. The analysis shows that the PMBOK methodology provides a solid structure for project management, allowing rigorous planning and effective execution in managing business growth and innovation. This case demonstrates how the systematic application of the PMBOK methodology helps to face unforeseen challenges and ensures the fulfillment of strategic objectives, facilitating adaptation and success in a dynamic and competitive business environment.

1. INTRODUCTION

Business innovation, economic growth, and project management are fundamental pillars for success in today's business environment. Innovation is crucial to stand out in the market, generating competitive advantages and ensuring future revenues. This approach aligns with the Economic Growth Theory, which emphasizes the importance of increasing company assets. Additionally, project management, supported by methodologies such as PMBOK (Project Management Body of Knowledge), offers a robust framework for implementing innovation effectively.

It is important to note that the restaurant industry in Mexico plays a significant role in the national economy, generating more than 18 billion pesos annually, representing 2% of the country's Gross Domestic Product (GDP). It is also the second-largest source of employment in Mexico, creating 5,488,500 jobs [1].

This article analyzes the importance of these elements through a case study on the transformation of a bakery and pastry shop into a restaurant. The steps followed in the process are described, from stakeholder identification to project execution, highlighting the importance of detailed planning and efficient resource management. The results demonstrate how the integration of innovation, economic growth, and project management can foster business success, even in adverse conditions.

Small businesses in the restaurant sector in Mexico have the potential to stand out as unique and inimitable by innovating in the development of their products and differentiating at the local, national, and international levels. Identifying and seizing opportunities in this sector, along with considering

organizational, human, and relational aspects, allows for the deployment of innovation capacity and, consequently, the development of new value propositions.

In a competitive and ever-evolving business landscape, innovation and project management are essential for growth and sustainability. This study aligns with SDG (Sustainable Development Goal) 8: Decent Work and Economic Growth, by demonstrating how the PMBOK methodology enhances productivity and generates quality employment. It also supports SDG (Sustainable Development Goal) 9: Industry, Innovation, and Infrastructure, highlighting innovation as a key driver of competitiveness and business transformation [2]. Its novelty lies in applying a rigorous approach to a real case, showing how integrating these elements fosters business transformation and sustainable development.

To address this, the research seeks to answer the following question: *How does the PMBOK methodology influence the planning and execution of projects for business growth and innovation?* Based on this, the central hypothesis posits that the application of PMBOK enables a more rigorous planning process and an efficient execution, significantly contributing to the success of business transformation initiatives. This analysis provides a comprehensive perspective on how small businesses in the restaurant sector can effectively utilize structured project management frameworks to foster long-term innovation and maintain a competitive edge.

To provide a comprehensive understanding of the study, this document is structured as follows: First, the literature review explores key theories related to economic growth, investment, innovation, and project management, emphasizing the role of the PMBOK methodology in business transformation. The results and discussion present the findings

derived from the case study, highlighting the effectiveness of PMBOK in guiding business growth and innovation. Finally, the conclusions summarize the key insights, validating the research hypothesis, and providing recommendations for future studies.

2. LITERATURE REVIEW

Innovation in companies is crucial to meeting customer demands and standing out in a competitive market, which, in turn, contributes to generating future revenues and gaining long-term competitive advantages. This focus on innovation aligns with the Economic Growth Theory, which emphasizes the increase in company assets. Economic growth manifests as a continuous and endless process of cumulative and circular causality, whose core consists of capital accumulation and the progressive expansion of the social division of labor [3]. In contrast, the objective of economic policy—economic growth—acts as rhetoric with symbolic and emotional power over the behavior of individuals and societies, incentivizing efforts toward the achievement of common goals and objectives [4]. Therefore, the ability of companies to innovate is essential not only to remain competitive in a dynamic environment but also to foster sustainable economic growth. Integrating innovation into business strategies allows companies not only to meet current market demands but also to anticipate and adapt to future challenges. In this way, organizations strengthen their market position and contribute to overall economic development, aligning with the principles of capital accumulation and social progress proposed by the Economic Growth Theory.

From an investment perspective, Samuelson's Flexible Accelerator Theory examines how investment is considered the process of adjusting the current level of capital to an optimal level [5]. Although this approach demonstrates good empirical behavior, it uses only real variables and does not take into account the cost of using capital or the financial situation of the company [6]. The first version of the "accelerator theory" or "acceleration principle," developed by Mitchell and Clark, was incorporated into many Keynesian-inspired economic cycle models during the 20th century, highlighting how companies adjust their production capacity based on expected output [7]. In alignment with these investment dynamics, Jorgenson's Neoclassical Investment Theory explains how investment can drive growth by maximizing the company's net present value [8], while Schumpeter emphasizes the transformative role of innovation in redefining business landscapes [9]. In today's competitive environment, where market demands are increasingly high, competition intensifies, and any improvement is quickly imitated, reducing or eliminating competitive advantages. Consequently, many companies have adopted differentiation strategies based on innovation [10].

Project management has become a crucial mechanism for implementing innovation effectively, as businesses must integrate structured strategies to remain competitive. In all sectors, there coexist highly innovative companies (technological leaders) and others that follow or imitate these innovations. Although many innovations are legally protected, they can often be easily replicated through similar products. Therefore, rather than relying solely on legal protections, companies must foster a culture of continuous innovation, strengthen market strategies, build a strong brand, and

diversify their activities [11]. The ability to integrate investment, innovation, and project management is critical to business success in a rapidly evolving economic environment. A proactive approach to innovation and strategic management not only helps maximize value and maintain a competitive advantage but also allows organizations to adapt and thrive in increasingly complex market conditions.

To effectively manage this dynamic landscape, companies must adopt innovative practices and structured methodologies such as PMBOK. Although Joseph Schumpeter introduced the concept of innovation in 1934, many companies, especially in the restaurant sector, struggle to foster innovation due to traditional methods and a lack of continuous learning [12]. Innovative thinking and technological progress are essential for developing, defining, and positioning products or services within any social context, whether public or private [13]. Evaluating innovation within the framework of a company's mission ensures long-term sustainability, as various business environment factors influence its development, requiring different approaches, including financial performance analysis [14, 15]. The PMBOK methodology, recognized for its structured approach, provides a comprehensive framework for project management. According to the Project Management Institute [16], the PMBOK Guide offers detailed insights into project implementation, ensuring high-quality outcomes. This methodology underscores the fundamental relationship between innovation, economic growth, and project management, all of which contribute to achieving business objectives and ensuring long-term success. Integrating these elements enables organizations to enhance competitiveness, meet market demands, and sustain long-term growth.

In summary, adaptability and innovation are not only crucial for business survival in a highly competitive environment but are also essential for long-term growth and sustainability. Companies that successfully integrate innovation, project management, and strategic economic growth planning will be better positioned to tackle market challenges and capitalize on emerging opportunities. As a result, innovation serves as a key driver of continuous development and enduring success in the dynamic business landscape.

3. METHODOLOGY

The project aims to innovate a bakery and pastry shop to venture into the restaurant field, following the guidelines established in the PMBOK 2017 methodology. In its initial stages, a charter document was drafted detailing the objectives, scope, and available resources. An exhaustive identification of stakeholders was carried out, including owners, staff, suppliers, and customers; requirements were collected to understand market needs, customer expectations, and operational and legal requirements.

Subsequently, the project's scope was defined, clearly establishing the boundaries and specific deliverables. A Work Breakdown Structure (WBS) was developed to organize tasks and sub-projects hierarchically. The schedule planning was meticulously elaborated, determining the start and end dates of each activity, as well as the dependencies between them. Finally, to carry out the project's execution, a comprehensive work plan was designed that included team integration, using digital communication tools such as video conferences, phone calls, and instant messaging. The rigorous application of the

methodology allowed for a structured and efficient management of business innovation, adapting to the required health security measures due to the global pandemic (see Figure 1).

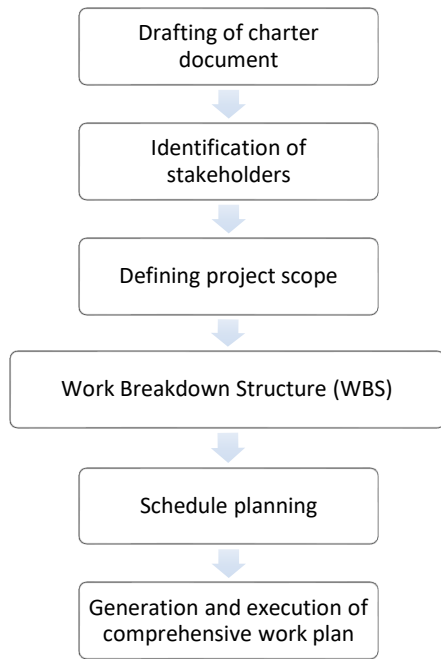


Figure 1. Stages for project implementation

4. RESULTS

The project of opening a new restaurant was carried out with a meticulous and strategic approach. Initially, a thorough market and location analysis was conducted to ensure the viability and potential demand of the new establishment, with clear objectives of generating annual revenues of \$5,000,000 Mexican pesos. The project manager played a central role in leading the project execution and managing its constraints, especially in the challenging business context.

Resource management strategies were implemented, including budgeting, staffing, and suppliers, to ensure operational efficiency and meet established deadlines. Effective communication and collaboration were facilitated by the use of digital technology, crucial in a changing environment. The importance of meticulous planning, proactive risk management, and adaptability to achieve business success and foster continuous learning and professional development of all involved was highlighted. In summary, the project demonstrated the ability to innovate and adapt to achieve its objectives in a challenging market.

The necessary requirements were defined first to ensure the project's viability, which is crucial to maximize both the probability of success and the return on investment. This phase is fundamental for efficient resource management and achieving the company's strategic objectives (see Table 1).

Subsequently, project stakeholders were identified to facilitate a deep understanding of who they are, their role, and how they can impact the project (see Table 2).

Table 1. Project approval requirements

Aspect	Detail
Approval Criteria	Achievement and approval of the investment project
Conditions for Approval	Satisfactory completion of ongoing research. Availability of necessary technical documentation. Fulfillment of project objectives, including generating approximate revenues of \$5,000,000 MDP. Compliance with time and cost constraints considered in the document. Selection of the best alternatives for the company.

Source: Own elaboration

Table 2. Stakeholder registry

Position	Department	Role in the Project	Expectations
Owner	General Management	Sponsor	Control, direct, issue, and evaluate resources assigned to the project
Project Manager	Strategic Management	Work Team	Control, direct, issue, and evaluate resources assigned to the project
Project Manager	Strategic Management	Work Team	Document operation, processes, schedule effectiveness report, lead meetings, feasibility studies
Administrative Manager	Strategic Management	Work Team	Control financial, accounting, and sales projections, as well as purchases and shipments
Operations Manager	Operations	Work Team	Optimize operations, implement indicators and proper restaurant functioning
Executive Chef	Operations	Work Team	Ensure dish quality, systematize recipes, create new dishes, cost control, waste management
Project Leader	Operations	Work Team	Ensure operational functionality of active shifts in the restaurant
Project Leader	Supplier	Project Leader	Promote project compliance and development
Project Leader	Supplier	Project Leader	Promote project compliance and development
Project Leader	Supplier	Project Leader	Promote project compliance and development

Source: Own elaboration

Table 3. Traceability matrix

Requirement Description	Acceptance Criteria	Project Objectives	Responsible	Priority	Deliverable
Meet the established budget of \$6,000,000.00	Margin limit of $\pm 1\%$	Determine a start-up budget	Jaime N.	High	Weekly budget execution reports
Achieve a 5% sales increase for the second semester of 2021	Increase greater or equal to 5%	5% sales increase for the second quarter of 2021	Jaime N.	High	Weekly budget execution reports

Meet the established deadline for project completion on July 20, 2021	July 20, 2021, marked as the project completion deadline	Complete project development and objectives within the established time frame	Ignacio N.	High	Schedule progress
Have external company support for building adaptation and kitchen equipment installation	Meet the accreditation manual for supplier companies	Consider 5 architectural service and specialized kitchen equipment suppliers	Octavio N.	High	Supplier accreditation manual
Process manuals by area	Process flow diagrams/establish responsibilities	Establish internal logistics for delivery process from request generation to client delivery	Jaime N.	High	Process manual
Establish tracking and control mechanisms to monitor progress and objective achievement	Institutional formats/tracking matrix	Evaluate service quality at the end of the second semester of 2021	Octavio N.	High	Control documents
Train involved staff	100% trained staff	Establish internal logistics for delivery process from request generation to client delivery	Johanna N.	High	Training certificate
Effective communication among stakeholders	Immediate interaction and communication among stakeholders	Establish internal logistics for delivery process from request generation to client delivery	Johanna N.	High	Institutional formats

Source: Own elaboration

Table 4. First part of the Work Breakdown Structure (WBS)

ID	Stage	Milestones	Associated Activities	Stage Description	Work Description	Responsible Organization	Duration	Responsible Resources
1	Start	Project charter approval meeting	Project charter approved by the sponsor	Project start, previously authorized project charter by the sponsor	1.1. Determination of business need, 1.2. Project authorization	General management, projects, operations, and administration	10	Project manager, sponsor, and work team
2	Planning	Project management plan	Project management plan approved by the sponsor	Detailed analysis of current operation and data collection, objective definition	2.1. Detailed analysis of current situation, 2.2. Objective definition 3.1. Supplier quotation for kitchen equipment purchase, 3.2. Technical matrix for supplier selection, 3.3. Budget acquisition, 3.4. Investment project evaluation, 3.5. Current personnel evaluation, 3.6. Operational infrastructure analysis	General management and projects	8	General management, projects, and operations
3	Validation	Feasibility analysis and selected supplier	Financial evaluation	Evaluation of proposed suppliers, comparative supplier matrix preparation, capacity and available resources analysis, operational infrastructure analysis	4.1. Staff training for new branch operation, 4.2. Validation of established objective compliance, 4.3. Asymmetry identification	General management, projects, and administration	7	General management, projects, and administration
4	Execution	Staff training	Process and procedure understanding	Conduct staff training involved in the project, evaluate objectives defined in the project to align with results obtained, analyze obtained results and identify observations	5.1. Project acceptance by sponsor	General management, projects, and operations	7	General management, projects, and operations
5	Completion	Project approval and delivery	Final project report approved	Project documentation delivery, process map of operations and involved staff training		General management and projects	10	General management and projects

Source: Own elaboration

Table 5. Second stage of the Work Breakdown Structure (WBS)

ID	Stage	Stakeholder	Deliverable	Acceptance Criteria	Technical References	Agreement Information	Cost Estimation
1	Start	Sponsor, project manager, and work team	Project charter	Project charter authorized by the project sponsor	Project charter format	Participation of all project stakeholders	\$200,000.00
2	Planning	Project manager	Current situation report, general and specific objectives	Project sponsor acceptance	Project scheduling plan format	Compliance with established time, compliance with budget	\$200,000.00
3	Validation	Sponsor and project manager	Supplier quotations and equipment acquisition documentation, required staff, branch architectural plan	Purchases within budget, staff authorized by administrative management, project sponsor acceptance	Supplier evaluation format, collaborator evaluation format	Compliance with budget, evaluated results delivery, physical delivery of installation plan	\$4,200,000.00
4	Execution	Sponsor, project manager, and project manager	Technical documentation	Accepted training evaluation, performance indicator compliance	Training manual, defined objectives, performance indicators	Training manuals delivery, objective compliance, indicator goal compliance	\$1,200,000.00
5	Completion	Sponsor, project manager, and project manager	Tested and functioning solution delivery	Successfully operating pilot test	Acceptance letter	Participation of all project stakeholders	\$200,000.00

Source: Own elaboration

		November																												
		Week 1							Week 2							Week 3							Week 4							
		Hours	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
#	Activities		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
1	Project selection	2																												
2	Video call for project organization	2																												
3	Assignment of activities and project context	2																												
4	Video call to assign activities and points	2																												
5	Development of activities assigned in Google Drive	4																												
6	Video call to review progress	3																												
7	Make corrections in Google Drive	3																												
8	Download project in Word and make the first project delivery by mail	1																												
9	Review revised project to make corrections	2																												
10	Video call to agree on corrections	1																												
11	Make corrections in Google Drive	3																												
12	Assignment of activities to complete the first delivery	3																												
13	Development of activities assigned for the first delivery in Google Drive	5																												
14	Video call to review progress	1																												
15	Project review as a team to prepare delivery	1																												
16	Download project in Word and submit project on CANVAS	1																												
17	Video call for review and share revised project	1																												
18	Start with the second delivery	1																												
19	Development of activities assigned in Google Drive	2																												
20	Video call to validate project for the second delivery	2																												
21	Download project in Word and make the second project delivery on CANVAS	1																												
	Total hours worked	42																												

Source: Own elaboration

Figure 2. Activity schedule

Additionally, a structured framework was provided through the traceability matrix to track progress, requirements, and their acceptance criteria, as well as identify each's priority level within the project (see Table 3).

Another stage is to break down a project into more manageable and detailed parts, facilitating planning, tracking, and control of the project, so in this case, the first part identified stages, timeline milestones, associated activities, stage description, and necessary resources (see Table 4).

On the other hand, a second stage was incorporated with data such as stakeholder components, deliverables, acceptance

criteria, technical references, agreements, and cost estimates, significantly strengthening project management. Implementing these elements can achieve greater transparency, control, and efficiency on the path to project success (see Table 5).

As the final stage of the project, the activity schedule was prepared, identifying a total of 42 hours of work for this project's execution distributed over 18 weeks, involving the systematization of all necessary tasks and events to achieve the project's objectives, establishing a detailed timeline for each phase (see Figure 2).

Implementing the schedule not only consolidated the work plan but also provided a tracking and control tool that facilitates progress monitoring and possible deviation management. Consequently, the activity schedule stands as a fundamental component to ensure operational efficiency and achieve the expected results, marking the formal completion of the work plan and preparing the ground for the execution phase.

5. CONCLUSIONS

In the contemporary business environment, the ability to adapt and transform is essential to maintaining competitiveness and responding to market challenges. The PMBOK (Project Management Body of Knowledge) methodology offers a structured approach to project management, allowing effective planning and execution. This study analyzes the transition from a bakery to a restaurant, using the PMBOK methodology as a guide to manage the change. The rigorous implementation of this methodology facilitated a successful transformation by providing a detailed framework for stakeholder identification, scope definition, and schedule preparation, resulting in efficient project management and overcoming significant challenges, such as those imposed by the pandemic.

The implementation of the PMBOK methodology was crucial for the successful transformation of a bakery into a restaurant, highlighting the importance of precise planning and efficient management in the change process. Using this methodology allowed for a detailed project structuring, starting with the exhaustive identification of stakeholders, which facilitated the understanding and management of all involved parties' expectations. The project's scope was clearly defined, establishing the goals and limits of the new restaurant, and a meticulous schedule was prepared to guide the execution of each project phase.

Despite the challenges posed by the pandemic, the project's execution was successfully carried out thanks to proactive resource management and effective communication between work teams. This ability to adapt and respond quickly to unforeseen situations proved crucial to overcoming obstacles and maintaining project progress.

The market analysis conducted during the planning phase provided an accurate assessment of the new establishment's viability, confirming its ability to meet the established financial goals. The success achieved in terms of financial and operational objectives underscores the importance of rigorous planning and flexibility in execution. This project highlights how the effective application of the PMBOK methodology not only facilitates business transformation but also ensures sustainability and success in dynamic and challenging environments.

In line with the research objectives, this study has demonstrated how the structured implementation of the PMBOK methodology positively influences the planning and execution of business transformation projects, specifically in fostering growth and innovation. By addressing the research question—*How does the PMBOK methodology influence the planning and execution of projects for business growth and innovation?*—the findings confirm that applying this methodology enables a more rigorous planning process and efficient execution, significantly contributing to successful business transformation. These results prove the proposed

hypothesis, reinforcing the idea that the PMBOK framework provides the necessary structure and strategic approach to navigate complex transitions, ensuring both short-term efficiency and long-term business sustainability.

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