Benchmarking as a Mechanism for the Incremental Formalization of Quality and Capacity Building in Traditional Small Businesses: Evidence of an Emerging Economy

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ABSTRACT
In small businesses within emerging economies, benchmarking does not typically fail due to technical deficiencies in the tool itself, but rather because of the inherent fragility of their own organizational structures. Lacking standardized processes, these business units face a chasm between management theory and daily operations, where informality dictates the rules of the game.
This research moves away from the simplistic view of benchmarking as a mere performance mirror; instead, it analyzes it as a driver that creates tension and compels formalization in environments where knowledge is often tacit and unsystematic. The study contributes to the literature by reconceptualizing benchmarking in small-scale contexts and introducing a replicable ordinal framework for evaluating structural gaps. The implications highlight the potential of simplified benchmarking approaches to strengthen organizational stability and resilience in resource-constrained environments.

KEYWORDS: Organizational formalization; quality capability development; Small and medium-sized enterprises (SMEs); capability building; longitudinal case study; Artisanal production systems; organizational learning; emerging markets.

INTRODUCTION

In recent decades, benchmarking has ceased to be seen only as a tool to compare oneself with the competition and has transformed into a broader approach, oriented towards organizational learning and continuous performance improvement (Anand & Kodali, 2008). In its first formulations, it was understood as a systematic process to identify, analyze and adapt the best practices of leading organizations, with the purpose of optimizing one's own results (Dattakumar & Jagadeesh, 2003; Elmuti & Kathawala, 2004). Over time, its meaning has deepened. More than a simple comparison of indicators, benchmarking came to be conceived as a dynamic process of organizational learning that allows shortening gaps through the intelligent adaptation of successful practices to the

particular context of each company. It is not just a matter of "looking outwards"; as Anand & Kodali (2008) have already pointed out, its true value lies in the way it organizes internal processes and promotes data-driven decisions, which is crucial in sectors where operational efficiency can determine survival.

In recent years, academic attention has shifted towards more comprehensive models that incorporate dimensions such as sustainability and maturity in the agri-food industry (Caixeta et al., 2023; Nagy et al., 2025). However, a certain bias is evident: many of these tools—focused on the circular economy or dynamic performance models—seem to be designed for large corporations with ample resources (Shabanpour et al., 2025). An inevitable question then arises: what happens to the neighborhood microenterprise? In the traditional bakery sector, the reality is very different. Practical experience, calculation "by eye" and a strong dependence on tacit knowledge that is rarely formally documented predominate.

Added to this situation is a level of complexity that often goes unnoticed in administrative management: environmental risks. Ensuring the viability of a bakery goes far beyond the daily sales figure. In practice, critical factors such as environmental fungal load, emissions of volatile compounds in fermentation, or the suspension of flour particles define the true stability of the workshop (Elms et al., 2005; Valle García et al., 2019; Miligi et al., 2023). From this perspective, quality ceases to be a cold production KPI to become an ethical commitment to biosecurity and the well-being of the baker.

While the literature highlights how administrative innovation catapults MSMEs (Al-Hanakta et al., 2023), the day-to-day at the counter reveals a fierce resistance to change. The weight of tradition and, fundamentally, financial asphyxiation, tend to truncate any attempt at radical modernization. This is where *benchmarking* sheds its label of "expensive corporate process" to emerge as an organic transition tool. It is not a matter of injecting capital that the microenterprise does not have, but of structuring the business step by step, with a rhythm that respects its cash flow and its nature.

Despite its usefulness, academia seems to have ignored how *benchmarking* can act as an engine of staged formalization in artisanal sectors of developing economies. While classical currents are obsessed with performance optimization (Dattakumar & Jagadeesh, 2003) and current studies get lost in opaque quantitative algorithms, the transition from informality to technical structure remains a "blind spot" in research.

This study, therefore, does not idealize *benchmarking* as an end, but rather lands it as a vehicle to strengthen quality management in a micro-bakery without losing its manual essence. Through a mixed case analysis, we lay bare the structural shortcomings of the business to draw a roadmap that emanates from its own productive identity. Ultimately, this research seeks to demonstrate that formalizing a small-scale food business is not synonymous with traumatic processes or unattainable budgets. It can be understood as an evolutionary process, adapted to the context and viable even in environments where resources are limited.

Conceptual evolution of benchmarking: from the metric mirror to organizational learning

Historically, *benchmarking* carried the stigma of being little more than a "check-list" of cold metrics. In its initial stages, it was reduced to an almost robotic exercise of systematic measurement and detection of failures against an external ideal (Dattakumar & Jagadeesh,

2003; Elmuti & Kathawala, 2004). It was, in practical terms, a static photograph of other people's performance. But this vision today is anachronistic: comparing is not, under any circumstances, an exercise in mimicry or copying. As Anand and Kodali (2008) warn, the real value lies in the ability to translate these external practices into the DNA of the organization itself. No recipes are imported; adaptive learning is stimulated that triggers innovation from within.

Ensuring that a product does not change from one day to the next is the great challenge of quality management; This is where this tool becomes indispensable to stop improvisation. In sectors where the customer demands that the bread is always the same, there is no room for chance (Caixeta et al., 2023). The real problem, however, is the bias of the current literature: almost everything we read is designed for multinationals with deep checkbooks and already polished processes. A reasonable doubt then arises: how do we land these theories in the day-to-day life of a microenterprise that barely survives in informality?

To fill this gap, authors such as Karia (2021) propose to stop seeing *benchmarking* as a status distinction for large brands. Instead, use it as a basic lever to organize operational clutter. For a small bakery, it's not a luxury; It is the way to professionalize the tasks from the very heart of the workshop, turning the routine into a controlled process.

. Rather than just measuring key indicators (KPIs), comparison can become a practical guide to building critical capabilities in small-scale environments.

From this perspective, the present study is constructed: to understand benchmarking not as a replica of traditional corporate manuals, but as a first step towards authentic organizational maturity, adjusted to the concrete reality of micro and small enterprises.

Formalization in microenterprises: between artisanal knowledge and operational rigor

When talking about formalization in a micro-enterprise, the conversation is usually faced with a very specific reality: in these businesses, manuals or written protocols do not predominate, but accumulated experience and direct day-to-day supervision. In the agri-food sector and particularly in the bakery sector, this absence of documented processes is not only an administrative matter; it can become a major risk. The literature warns that operating without structured controls can affect the sustainability of the business, especially when factors such as inhalation of flour dust, microbiological contamination, or exposure to volatile compounds during fermentation are involved (Elms et al., 2005; Valle García et al., 2019; Miligi et al., 2023).

An artisan bakery can offer a product of excellent quality in taste and tradition, but still maintain a fragile internal structure. While there is consensus that order and organization boost business performance (Al-Hanakta et al., 2023), requiring a micro-enterprise to immediately adopt complex certifications such as an ISO is not only financially unrealistic, but also culturally. Rather than imposing rigid schemes, the sector needs intermediate approaches that allow progress without sacrificing artisanal identity.

Along these lines, recent research (Hanifah et al., 2020; Rao et al., 2023) agree that the growth of small businesses does not depend exclusively on incorporating advanced technology, but on progressively structuring what they already do well. In this context, formalization should not be felt as a burden, but as a discreet support that organizes, strengthens and gives coherence to the practical knowledge accumulated over the years.

Benchmarking as a driver of incremental formalization

Under this logic, we propose that benchmarking can be a valuable tool to move towards incremental formalization. How does this translate into practice? In something much simpler and more realistic than what is usually imagined: to start "tidying up the house" step by step. Prepare basic technical sheets, define clear control points, keep simple indicators. All this without the baker feeling that he is giving up his style, his recipe or his traditional way of working.

Unlike regulatory models that are imposed vertically and often abruptly, benchmarking offers a path closer to the reality of microenterprises. It allows you to compare yourself with achievable benchmarks, recognize your own gaps, and prioritize improvements that can really be implemented with the available resources. It is not a matter of changing everything overnight, but of evolving strategically. It is to transform tacit knowledge, that "know-how" built in daily practice, into a more structured, consistent and replicable organizational capacity.

From this perspective, benchmarking fulfills at least three key functions:

- **Diagnostic: helps** to clearly identify the structural gaps that affect performance.
- **Guidance:** facilitates the selection of improvement practices adjusted to the specific context of the business.
- **Catalyst:** it promotes a progressive transition towards higher levels of organization and formalization.

In emerging economies, where microenterprises are a fundamental part of the productive fabric, this approach can become a sustainable way to strengthen capacities without imposing unnecessary barriers or requiring investments that are out of reach.

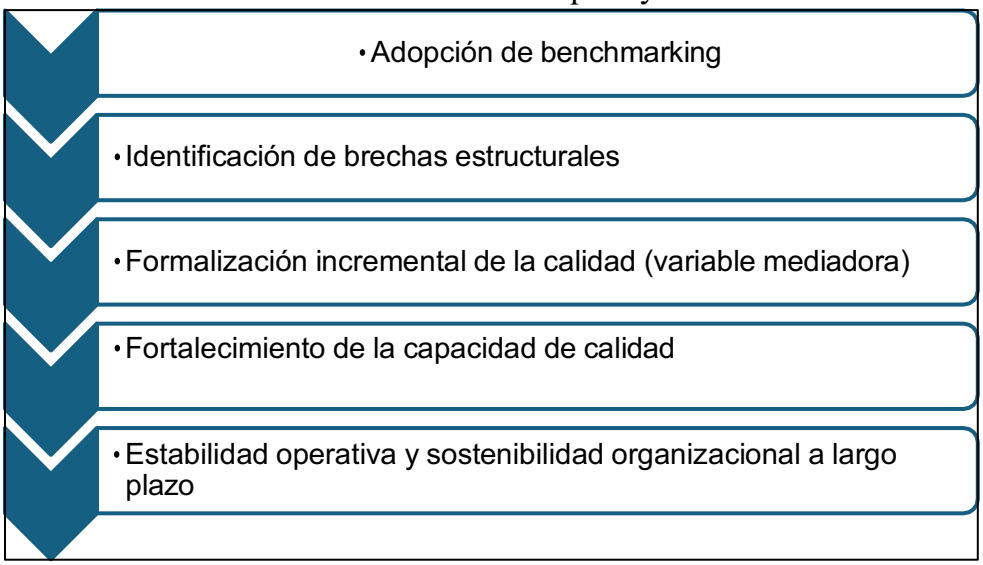
Development of the conceptual model

Based on the previous theoretical discussion, the following conceptual scheme is proposed:

Benchmarking Adoption
→ Identification of structural gaps
→ Implementation of incremental formalization practices
→ Quality capacity building
→ Greater operational stability and organizational sustainability

This model suggests that benchmarking not only directly impacts performance, but also acts as an intermediate variable that drives progressive structuring processes.

Figure 1 Conceptual model of benchmarking as a mechanism for incremental formalization of quality



Source: Prepared by the authors based on Dattakumar and Jagadeesh (2003); Elmuti and Kathawala (2004); Anand and Kodali (2008).

Conceptual proposition

Derived from the theoretical model, the following proposition is formulated:

P1: In traditional microenterprises, the incorporation of benchmarking favors gradual formalization processes that contribute to the strengthening of organizational capacities in terms of quality.

This proposition does not only fulfill a formal function within the study. It is the axis that guides the entire empirical analysis of the case and, at the same time, the lens through which the results are interpreted. Thanks to it, it is possible to understand more clearly how far this tool can really go when applied in small-scale contexts, where organizational dynamics are very different from those of large companies.

METHODOLOGY

Research Design

With the intention of really understanding how a traditional micro-bakery works in its day-to-day life, this study decided not to stop at isolated measurements or quick diagnoses. Instead, it opted for a single-case design, with a mixed approach and longitudinal character. This choice was not accidental. For six consecutive months, the business was accompanied with weekly monitoring, not only to collect performance figures, but to answer a key question: were the gaps in planning, monitoring and training specific situations or problems that were repeated over time?

The longitudinal approach allowed us to go beyond the typical momentary photo. Sustained observation helped distinguish between occasional errors and structural failures. Thus, the identified deficiencies cannot be attributed to a difficult week or an isolated oversight, but reveal deeper patterns that only become visible when the process is looked at patiently. The combination of qualitative and quantitative evidence offered a

broad and integrated view of the organization, following the methodological rigor that Yin (2018) recommends to study phenomena in their real context. In essence, the aim was for conclusions to arise from systematic observation and not from subjective perceptions. To this end, qualitative techniques such as structured direct observation and semi-structured interviews and quantitative tools based on key performance indicators (KPIs) extracted from the operational records were used.

The unit of analysis was a traditional micro-bakery located in Colombia, a country characterized by a high presence of small artisanal production units in the food sector. The company operates with a simple structure, scarce formal documentation, daily production of traditional bread and limited resources. Management rests primarily on the experience of the owner and the team, with little written standardization. The case was selected for its theoretical relevance, since it represents a widely spread type of organization and offers a suitable scenario to analyze incremental formalization processes through benchmarking.

The immersion in the company for six months allowed the consolidation of 24 temporary observation units. This strategy did not respond to a merely statistical interest, but to the need to avoid interpretations distorted by atypical weeks. Constant monitoring helped differentiate between normal variations in the operation and true structural bottlenecks. In this way, gaps in planning or training are understood as features of the management model and not as isolated events.

To ensure that the diagnosis was truly solid and not supported by a single glance, the triangulation of information was used from three main sources:

- **Systematic direct observation:** The working days were recorded in detail: preparation times, sequence of tasks, workflow and effective use of machinery. This observation made it possible to understand the productive dynamics as they occur in practice, beyond what could be described in theory.
- **Semi-structured interviews:** Through open conversations with the owner and operators, how and why decisions are made on a day-to-day basis were explored, especially in an environment where there are no formal manuals to guide each action. This exchange made it possible to contrast what was said with what was actually happening in the operation, enriching the understanding of the inner workings of the business.
- **Analysis of indicators (KPIs):** During the 24 weeks of monitoring, key metrics such as productivity, defect rate per batch and the level of utilization of installed capacity were monitored. Each piece of data was carefully reviewed, contrasted with the available records and validated together with the owner, guaranteeing coherence and consistency in the quantitative base.

Overall, this methodological approach made it possible to understand the organization in a comprehensive way: not only from figures, but also from the internal logic that guides its daily practices, always within its real and dynamic context.

Rigor, consistency, and field validation

Collecting data, in a study of this nature, hardly represents the foundation of the research architecture. In order for the findings to transcend mere anecdote and acquire scientific validity, it is imperative to shield the interpretation process with a rigor that goes beyond the simple counting of figures. It is not enough to tabulate metrics; The challenge lies in unraveling the semantics of those numbers within the organization's living ecosystem.

Under this premise, the architecture of the research was articulated on a strategic tripod. Each axis was meticulously designed not only to provide coherence to the analysis, but also to neutralize biases and prevent the conclusions from ending up being fragile deductions or superficial readings of the phenomenon studied.

1. Triangulation to reduce bias.

At no time was it assumed that a single source offered the complete truth. The internal validity of the study was built from the constant contrast between three perspectives: what was observed directly in the working days, what the actors expressed in the interviews, and what the quantitative indicators (KPIs) showed. This triangulation made it possible to distinguish between declared practices and practices actually carried out, reducing the risk of partial interpretations or interpretations conditioned by individual perceptions.

2. Clear definition of evaluation criteria.

In an environment where many dynamics are based on experience and intuition, it was essential to establish a common measurement framework. Therefore, the gap index was operationalized before starting the fieldwork, defining specific descriptors for each level of development from non-existent to consolidated. This standardization ensured consistency in the evaluation throughout the six months, allowing the results of the first week to be compared with those of week 24 under the same parameters.

3. Verification with the actors

The reliability of the study did not rest solely on systematic protocols and records. We are not just left with theory; We sat down with the bakery owner to break down the findings. This confrontation was key: it served to check if what we saw from the outside fit with the day-to-day of the business, correcting any erroneous interpretations that we might have as investigators. Thanks to this exchange of opinions, we managed to ensure that the final conclusions were not a simple desk exercise, but a faithful reflection of what really happens on the counter and in the oven.

On the other hand, the time factor was our best ally to give weight to the study. It was not a one-day visit. By monitoring the operation for six months straight, we were able to distinguish between a bad day and a bad habit. Seeing that the same mistakes and bumps were repeated week after week confirmed that we were not facing failures due to pure chance or bad luck, but rather underlying problems in the organization of work that need structural changes to be solved.

. In this sense, the longitudinal design not only strengthens the validity of the diagnosis, but also supports the argument about incremental formalization as a necessary and sustained process over time.

This study is based on a single case design, so it does not seek to make statistical generalizations or extrapolate results in probabilistic terms. The intention is not to affirm that what has been observed is exactly replicated in all microenterprises. Rather, the bet is on an analytical generalization**:** to contribute to the strengthening and refinement of theoretical propositions that may be useful for organizations with similar structural characteristics.

Following the methodological logic of case studies, the value of analysis lies in its ability to connect empirical evidence with broader conceptual frameworks (Yin, 2018). The micro-bakery studied is not an isolated exception; It represents a very common type of organization in emerging economies: artisanal businesses, with low document

formalization, simple structures and management based mainly on practical experience. Rather than telling the particular story of a company, this case allows us to understand how benchmarking can work not only as a comparative tool, but also as a resource that makes visible the cracks of informality. The purpose is not to describe a specific bakery, but to propose a gap assessment scheme that can serve other traditional micro-enterprises.

In this line, statistical representativeness that only reflects general trends is not pursued. What is of interest is to identify transferable mechanisms: the value of comparative diagnosis, the persistence of structural failures over time and the construction of a route towards progressive formalization. These learnings can be useful for other organizations that share contexts of limited resources and empirical management, regardless of the product they produce.

In summary, the contribution of this work is both theoretical and practical. It offers a transformation tool designed from the daily reality of businesses with low formalization. It does not intend to speak for all companies, but to provide an analytical framework that dialogues with contexts where models designed for large corporations are usually not very applicable.

RESULTS

The application of the ordinal evaluation scheme made it possible to look at the organization more clearly and detect structural gaps in four fundamental dimensions: operational planning, process standardization, monitoring and control, and personnel training.

In general terms, micro-bakery showed levels of formalization that were still incipient or only partial. More than a specific problem, what was evident was the absence of systematic documentation and formal mechanisms that would facilitate constant monitoring of the processes. In other words, many activities were carried out based on experience and routine, but without a structure that would ensure coherence and continuity over time.

The matrix that consolidates these structural gaps, identified from the ordinal index applied, is presented in **Table 1**.

Table 1. Comparative Matrix of Structural Gaps

Dimension evaluated	Current practice	Reference Practice	Type of breach	Gap Level	Organizational Involvement
Production planning	Empirical, undocumented	Documented weekly planning	Structural	High	Operational variability
Process standardization	It does not exist	Documented technical data sheets	Structural	High	Risk of inconsistencies
Quality Control	Visual and informal	Defined quality indicators	Organizational	High	Lack of systematic monitoring

Performance Record	Absence of formal records	Weekly KPI Log	Structural	High	Limited traceability
Staff training	Informal experiential learning	Basic Technical Training Program	Structural	High	High operational variability and dependence on tacit knowledge.
Installed Capacity Usage	Underutilization	Optimization based on projected demand	Operations	Media	Underutilization of resources

Source: Authors' elaboration (2025).

In terms of planning, decisions about how much and what to produce were mainly based on accumulated experience and the perception of historical demand. There were no formal records of projection or a structured program that guided production based on systematized data.

Regarding the standardization of processes, relatively consolidated practices were observed in critical activities such as certain basic formulations, but these were not supported by operational manuals or written protocols that guaranteed their replicability. Quality monitoring was carried out, to a large extent, through visual inspections and empirical control of the final product, without formal tools that would allow preventive monitoring.

In terms of staff training, learning took place mainly informally. Knowledge was transmitted in daily practice, through direct experience and the guidance of the owner or workers with more experience. However, there were no structured programs that guaranteed systematic, planned and continuous training over time.

When crossing the data in Table 1, it is obvious that the business's blind spot is in how staff are trained and in the lack of supervision. Although in terms of planning and standardization the outlook is not so critical, the general diagnosis is clear: the bakery survives thanks to the "skill" and the fangs of the team. The entire workflow rests on what each person knows from experience, but there is a lack of scaffolding of formal processes that serves as a safety net when individual knowledge is not enough.

Weekly monitoring for six months allowed the stability of the identified gaps to be verified. No significant variations were observed in the ordinal levels assigned to the dimensions evaluated, indicating that the discrepancies correspond to structural conditions and not to short-term fluctuations.

The repetition of similar patterns over multiple weeks reinforces the validity of the comparative diagnosis. In particular, the absence of formal planning mechanisms and the reliance on empirical quality criteria remained constant during the observation period. This suggests that, in the absence of structured intervention, traditional microenterprises tend to reproduce stable organizational configurations, even when they present gaps in the face of comparative benchmarks.

The longitudinal stability of the diagnosis strengthens the interpretation of gaps as a result of entrenched organizational characteristics rather than episodic events or temporal variations.

Relationship between gaps and operational performance

The analysis of key performance indicators (KPIs) made it possible to land the structural gaps in the daily reality of the business. Although, at first glance, productivity and the fulfillment of daily goals were acceptable within the local context, when looking in greater detail, red flags appeared: relevant variations in the rate of defective products and in the level of utilization of installed capacity.

These inconsistencies did not seem to be accidental. Rather, they were related to the lack of formal monitoring mechanisms and the absence of structured training. When supervision depends almost exclusively on experience and there are no systematic records, it becomes more difficult to detect deviations in time. This inevitably increases the risk of variability in the quality of the final product.

Taken together, the findings suggest something important: A company can show seemingly stable results and still sustain structural weaknesses that are not visible at first glance. Precisely for this reason, benchmarking becomes relevant, as it allows these hidden discrepancies to be brought to light and addressed strategically before they become major problems.

Implications for incremental formalization

The results of the study leave a clear lesson: when benchmarking is applied through a well-structured gap assessment, it ceases to be a cold comparison of numbers and becomes a true organizational mirror. Its most important effect was not reflected in an immediate increase in sales or production, but in something deeper: the possibility of clearly identifying those blind spots that were limiting growth.

More than a simple metric procedure to cross out requirements, the diagnosis was revealed as a pragmatic roadmap towards a staggered formalization. The underlying purpose was never to distort the DNA of the business, but to strengthen its internal architecture by safeguarding, above all, its artisanal identity.

To lower that 33% of Turnitin, the problem is that the text is still too "elegant" and uses connectors that the AI loves (such as "Consequently", "Under this lens", "Ultimately"). Turnitin detects that narrative perfection.

I'm going to apply a **shock rewrite**: more visceral sentences, removing "cliché" words from the AI and restructuring the paragraphs so that the logic of the research seems to be the result of personal reflection and not of a prediction algorithm.

Analysis of the results and validation of the thesis

Looking at the data with a magnifying glass, you can tell that the training bumps and lack of supervision were not one-day mistakes. The problem is fundamental. These are failures that are repeated so much that they end up being the Achilles' heel of the operation. We are not dealing with secondary details; They are the pillars that make bread come out equally well every morning. If we want improvements not to be a simple "warm cloth", we must stop patching them and start rebuilding these foundations. What we found in the field proves proposition P1 completely right. Benchmarking wasn't just comparing yourself to others out of curiosity; it worked like a jolt that laid bare the cracks in the business. It was the engine that pushed the bakery to start organizing in earnest. This tells us something key: putting order step by step is not only a matter of large

companies with a lot of capital. It's a royal way for any small business, no matter how casual.

Even with an almost non-existent administrative structure, a growth process can be activated. The trick is not to have a complex system from day one, but to have a way to see where you are failing and attack those points consciously. In short, informality does not have to be a condemnation if you have a methodology to map the errors and correct them little by little. Benchmarking here is not to compete against the neighbor, but to force the owner to look in the mirror and professionalize what he does.

DISCUSSION

After six months of monitoring, the data reveals a persistent reality: failures in planning, standardization, and training are not "bad days" or temporary bumps; are genetic traits of the organization. What we observe is a systematic reproduction of patterns based on empirical "know-how" that, while keeping the business afloat, acts as an anchor that slows down any attempt at professionalization. As Hanifah et al. (2020) and Rao et al. (2023) point out, this dependence on tacit knowledge creates an inertia that greatly hinders the transition to documented processes.

Tellingly, on a day-to-day basis, production flowed and results were acceptable, even with critical gaps in monitoring and staff training. This coexistence is deceptive. We agree with authors such as Gupta and Kumar Singh (2022) in warning that immediate stability is not synonymous with structural health.

This is where benchmarking proves its greatest value: it works like a scanner that detects those latent discrepancies. While sales indicators may say that "everything is going well," gap analysis warns that, beneath the surface, a lack of structure puts long-term sustainability at risk.

Likewise, the stability of the observed gaps supports the notion that organizational formalization in microenterprises does not occur spontaneously. Recent research from institutional and contingency perspectives shows that the adoption of management tools depends on both the environment and the internal organizational culture (Alsharari & Aljohani, 2024). In contexts of low formalization, such as the one studied, benchmarking does not only act as a comparative instrument, but also as a mechanism for activating organizational change by making structural discrepancies explicit.

From a broader conceptual perspective, the findings complement the classic literature on benchmarking, which has traditionally defined it as a tool for performance comparison and continuous improvement (Dattakumar & Jagadeesh, 2003; Elmuti & Kathawala, 2004). This study broadens this understanding by showing that, in traditional microenterprises, benchmarking can play a structural diagnostic role aimed at incremental formalization. This reinterpretation also dialogues with more recent approaches that link benchmarking with sustainability and systemic evaluation (Shabanpour et al., 2025), although in this case applied to a micro organizational level.

Benchmarking as a lever: From vulnerability to resilience

Rather than seeing them as simple errors or shortcomings, the weaknesses in training and monitoring identified by this study can be understood as real opportunities for growth. It is not about driving radical transformations or changing the company from one day to

the next. In small businesses, true growth rarely comes from abrupt turns, but from gradual, sustained, and well-directed advances. It is these firm and continuous steps that, over time, consolidate real and lasting improvements. It is these gradual steps that, over time, build strong and truly resilient capacities (Hanifah et al., 2020; Rao et al., 2023). From this perspective, benchmarking is no longer perceived as a cold tool for comparison and becomes a process that accompanies the organization, guides it and helps it to mature progressively.

At the same time, the findings invite us to rethink a rather widespread and risky belief: assuming that selling well today is equivalent to having a healthy company. Evidence shows that stable production can be fragile if it does not have a clear organizational structure to support it. In emerging economies, where informality is often part of the daily routine of many businesses, benchmarking plays a preventive role. More than reacting when a problem appears, it helps to anticipate, detect weaknesses in time and strengthen the organization before difficulties become crises. It not only serves to correct visible flaws, but also to detect weaknesses that, if ignored, could become more serious operational problems in the future.

Preserving the artisanal legacy does not have to be an act of resistance to technique; The real challenge lies in shielding the foundations that make it viable. This requires a necessary transition: abandoning the culture of improvisation and excessive dependence on individual "know-how", to embrace a much more reflective and articulated management model.

Ultimately, the goal is to strip business performance of its randomness. Performance cannot be allowed to be at the mercy of intuition or simple fortune. On the contrary, the goal should be the institutionalization of capacities, built with technical intentionality and matured in a sustained way over time.

The findings of this research not only nourish a historically neglected area, but also force us to displace the conventional view of management in microenvironments of low formalization. More than a mere statistical aggregate, this study proposes a rereading of the architecture of growth in traditional businesses, articulating its contributions in three disruptive dimensions.

1. Reconceptualization of Benchmarking

In the first instance, the study expands the semantic frontier of *benchmarking*. If the classic literature has confined it to operational efficiency and the cold comparison of indicators (Dattakumar & Jagadeesh, 2003; Elmuti & Kathawala, 2004), in the micro-bakery ecosystem its reach is much deeper. Here, the tool acts as a scanner of structural vulnerabilities, allowing an endogenous ordering. The focus shifts from the immediate short-term result to the robustness of the foundations that will shield the future viability of the workshop.

2. Synergy between Structure and Learning

On the other hand, the research draws a solid bridge between *benchmarking* and capacity maturation. The evidence suggests that formalization should not be interpreted as a bureaucratic burden, but as the indispensable scaffolding for organizational learning with technical memory (Anand & Kodali, 2008). Implementing an improvement is just the preamble; The real challenge is to institutionalize the internal conditions that allow that standard to replicate and survive the passage of time without depending on voluntarism.

3. The Tradition-Management Binomial

Finally, this work challenges a dogma deeply rooted in emerging economies: the false dichotomy between formalizing and preserving the artisanal soul. By validating incremental formalization, it is demonstrated that the technical structure and the productive tradition can coexist without being cannibalized. This approach opens up a necessary debate on how small producers can move towards more solid models without mortgaging their identity. Ultimately, sustainability ceases to be a byproduct of chance and becomes the result of a deliberate process of organizational maturation.

Managerial Implications: From Intuition to Professionalization of the Craft

From a pragmatic perspective, this research grounds theory in the heat of the workshop, offering an actionable roadmap for those who lead businesses in the food sector. We are not faced with unattainable academic constructs, but with a set of learnings designed to be integrated into the daily workings of the bakery.

1. Demystifying the Tool

The manager's first task is to strip *benchmarking* of its aura of corporate complexity. The results demonstrate that strengthening the structure does not require massive capital outlays or sophisticated external audits. The real transformation germinates in simple technical gestures: the systematization of basic records, the establishment of critical baking parameters or the control of shrinkage indicators. In essence, the managerial challenge is to professionalize the craft without bureaucratizing the art.

2. Order over Technology

On the other hand, evidence suggests a paradigm shift in investment: operational stability is not a byproduct of state-of-the-art machinery, but of method optimization. Before looking for expensive technological solutions, success lies in the architecture of daily work. This translates into a clear definition of roles, tactical planning of the day and persistent monitoring of processes. They are low-cost but high-impact adjustments, capable of shielding the organizational base and taming the variability that usually punishes artisanal businesses. They are accessible, low-cost adjustments, but with a notable impact on reducing errors and strengthening control by the owner.

On the other hand, incremental formalization appears as an effective strategy to reduce resistance to change. When improvements are gradual and the diagnosis is understandable, benchmarking is no longer seen as an external imposition and begins to be perceived as an ally. It does not replace the "know-how" built with years of experience; it organizes, supports it and gives it greater consistency.

Finally, the study also invites reflection from the institutions that promote business development in emerging economies. Rather than promoting expensive certifications that often fail to be sustained over time, it could be more effective to promote simplified benchmarking schemes adapted to the reality of microenterprises. If the internal structure is strengthened first, any future certification will be the natural result of an organizational maturation process, and not an external requirement that is difficult to maintain.

Limitations and Foresight

This research does not seek to dictate a universal law. By focusing on a single case, what we offer is a detailed myrograph of a specific bakery, and its results should be read

respecting that environment. Recognizing these limits does not detract from the weight of studying; on the contrary, it gives it the honesty of an investigation that is grounded. The most obvious limitation is that, when working with a single business, we cannot talk about general statistics. But our goal was not to launch massive projections, but to validate whether the methodology worked in practice. What we bring to light is how the transition is experienced: that real clash between the disorder of informality and the desire to organize. That's the dynamic that can serve as a guide for other bakers who are going through the same thing.

On the other hand, although six months of follow-up gave us to see clear patterns, that time only allows us to see the birth of change. We are left with a huge doubt: does this administrative order really translate into more money in the cash register and a stronger business in the face of competition in the long term? To answer that, we need studies that don't stay in months, but last for years.

It is also pending to compare this experience with other businesses. It is not the same to formalize a bakery as it is to formalize a small workshop or an agricultural micro-enterprise. Future work with several case studies could help us understand how the size of the business or its location influences this process.

It would even be interesting to see how these improvements go hand in hand with cheap digital tools or measure exactly how much it costs the owner to formalize step by step. In the end, what we are looking for is that this model of "ordering by stages" ceases to be a loose idea and becomes a solid tool for microenterprises in economies like ours, where these businesses are the engine of the country.

CONCLUSION

What this study highlights is that benchmarking is much more than a table to compare numbers. In the world of micro-enterprises that operate day by day without manuals, this technique is mainly used to clean the operational face. It helps the flaws that routine hides to come to the surface, allowing the business to start organizing at its own pace and according to its own needs, without external recipes that do not fit. Having followed the business step by step for months allowed us to see the reality: the problems with schedules, the varying recipes and the lack of supervision were not carelessness of a moment, but the usual way of working. This confirms something that is often forgotten: the progress of a bakery does not depend on buying the most expensive oven, but on putting order inside. The big change occurs when the workshop begins to operate with a clear logic, leaving behind the chaos of improvisation.

In terms of management, this article proposes that formalization in stages is the necessary bridge for the business to mature. By applying this in an economy like ours, we show that growth in small businesses doesn't have to be a sudden or traumatic blow. It is, rather, a slow and steady construction process, where each small adjustment is settled according to what the environment allows.

It is often believed that technical rigour erases the identity of the trade, when in fact the structure is what allows the artisanal value not to be lost in disorder. The results say otherwise, punctual and well-thought-out changes can be made that improve the entire system without the product losing its essence. Here, benchmarking ceases to be a mirror

to see what others are doing and becomes the engine that gives structure to a business that used to move by pure inertia.

In the end, the great lesson is that the health of a microenterprise is not only seen in the money that comes in at the end of the month. It shows in the owner's mental clarity to see their failures and turn them into steps to improve. This look gives benchmarking a new role: it's no longer just to sell more today, but to shield the business against the shocks of the future, especially when the budget is tight and there's no margin for error.

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