

Strategy, Planning and Innovation in SMEs: Drivers of Growth and Performance

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Abstract:

Small to medium sized enterprises (SMEs) comprise the majority of firms in most economies and have been recognised as important sources of innovation. Yet, theory on how leaders of entrepreneurial firms manage growth is lacking. This paper contributes to this gap using a strategy framework for small firms developed by Mazzarol (2005) to evaluate five case studies of entrepreneurial SMEs. The analysis includes entrepreneurship (as measured by the firm's leaders), innovation, strategic networking, the product-market growth vector, opportunity recognition, and management of the strategic triangle (strategy, structure, resources). Findings include insights on the role of entrepreneurial leaders including willingness to embrace innovation, take calculated risks and leverage their strategic networks to follow a growth strategy best described as emergent rather than deliberate in nature. The importance of being able to successfully match product to customer needs, and manage limited resources to exploit opportunities was demonstrated.

Keywords: entrepreneurial leadership, growth, innovation, SMEs, strategy, case studies.

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INTRODUCTION

Small to medium sized enterprises (SMEs) comprise the majority of firms in most economies and have been recognised as important sources of innovation (OECD, 2010). The field of entrepreneurship has devoted much attention to the process of new venture creation and the “individual-opportunity nexus” (Shane, 2003). However, it has not devoted as much attention to the process of how entrepreneurial firms are managed (Zachary & Mishra, 2011; Shane 2012). Achieving sustainable and manageable growth of small entrepreneurial ventures is a major challenge for owner-managers and leaders of small firms. This paper draws upon five case studies to explore how leaders of entrepreneurial SMEs manage growth.

STRATEGY IN SMALL FIRMS

While historically most strategic management theory and models have been developed from studies of large corporations, there is also a stream of research which examines strategy and planning in SMEs (Robinson & Pearce, 1984; Gibb & Scott, 1985; Fletcher & Harris, 2002; Woods & Joyce, 2003; Mazzarol, 2005; Mazzarol & Reboud, 2009; Brinckmann, Grishnik, & Kapsa, 2010). Strategy scholars typically examine the key question ‘why do some firms outperform others?’ with a focus on superior performance and sources of competitive advantages. Yet, the focus for many SMEs is more often on short-term performance, survival and growth (Churchill & Lewis, 1983; d’Amboise & Muldowney, 1988; Wiklund, Patzelt & Shepherd, 2009).

In the context of a dynamic competitive business environment, a strategic approach provides a clear sense of purpose and direction which serves as a focus and guide for decision making. Strategic leadership provides consistency of positioning and enhances responsiveness, flexibility and foresight (Finkelstein, Hambrick, & Cannella, 2009). Strategic management ensures that there is strong alignment between the strategy, structure, systems, staffing, skills, style of leadership and culture (shared values) of the firm which improves performance¹. Strategic analysis includes regularly monitoring trends and changes in the

¹ McKinsey 7S model, which was introduced by Peters and Waterman (1980) shows the importance of alignment between these seven core elements of an organisation for effective performance.

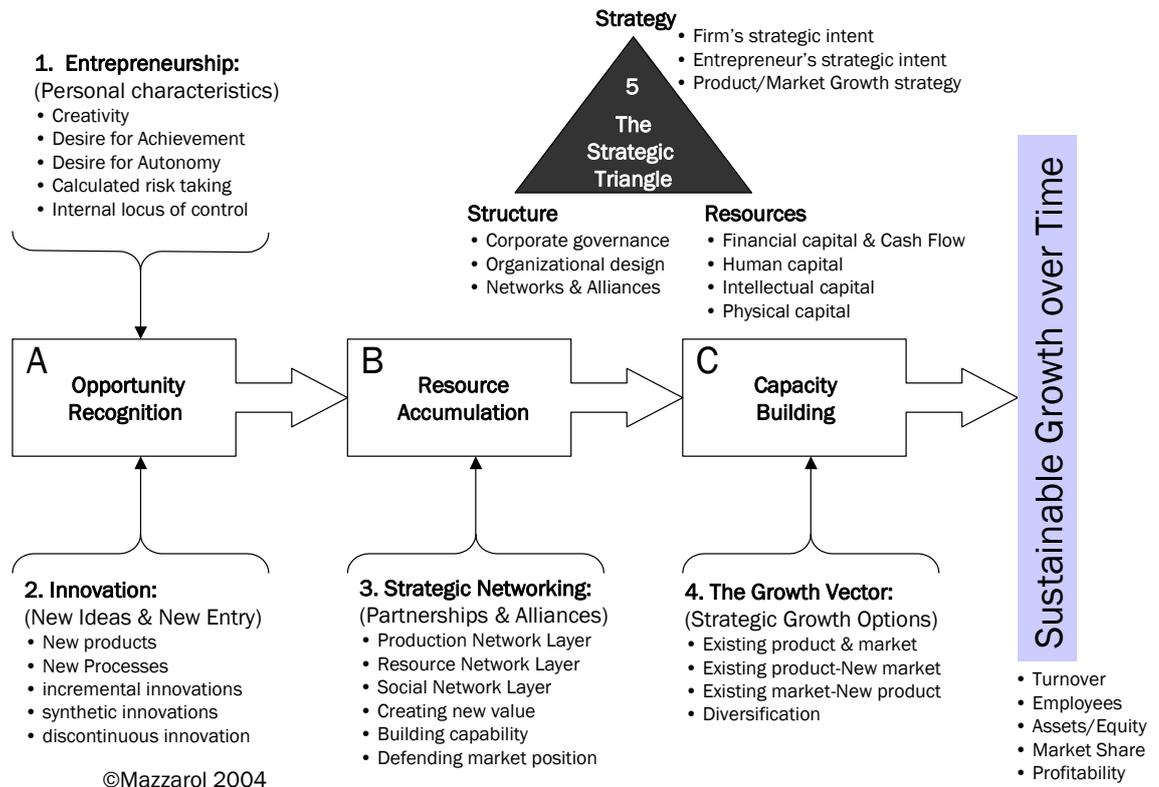
politico-legal, economic, socio-cultural, technological and environmental context, as well as keeping track of industry activities, competitors and customers (Hitt, Ireland & Hoskisson, 2010). A holistic approach of strategic thinking can also be valuable for managers to maintain a future focus (Bonn, 2001).

Owner-managers and leaders of small firms generally make strategic decisions based more on pragmatic intuition than academic principles (Ennis, 1998). Informal processes of planning for specific projects, rather than the whole company, can lead to blind alleys without a strong sense of strategic awareness and commitment by owner-managers (Gibb & Scott, 1985). A strategic plan has been advocated for success of small firms to outline the strategic direction, coordinate action and assist in achieving goals (Sandberg, Robinson & Pearce, 2001). Longitudinal research has found that failure rates among small firms that engage in formal strategic planning behaviour is lower than those that do not (Sexton & van Auken, 1985). It appears that what is important to the small firm is the sophistication of the strategic management practice it undertakes, rather than whether or not the firm's owner manager has a plan or engages in planning (Rue & Ibrahim, 1998). Higher growth rates have been found among owner-managers who adopt more sophisticated strategic management behaviour than those with a more informal or intuitive approach (Lyles, Baird, Orris & Kuratko, 1993). The use of strategic tools has also been shown to support growth of small firms (Woods & Joyce, 2003).

For this study, the strategic management framework for small entrepreneurial firms developed by Mazzarol (2005) and examined further in Mazzarol and Reboud (2009) is adopted. As shown in Figure 1 the key components of this framework include: i) the entrepreneurial character of the firm's leadership team; ii) the use of innovation to provide a foundation for growth; iii) the use of strategic networking to secure access to resources and markets; iv) the identification of a product-market growth vector, and v) the management team's ability to balance the "strategic triangle" of strategy, structure and resources. These components will be briefly discussed as they provide the units of analysis for this study of managing growth in entrepreneurial SMEs.

At the heart of the model is the entrepreneurial process of opportunity formation, resource accumulation and capacity building. The key outcomes or measures of success for an entrepreneurial venture are sustainable growth over time which can be measured by quantitative indicators such as annual turnover, number of employees, size of assets under management or equity within the firm's balance sheet, market share and profitability.

Figure 1: Strategic Management of Entrepreneurial Ventures



Source Mazzarol (2005)

Entrepreneurial Leadership

Entrepreneurial growth requires actions and leadership of individuals who find or create opportunities (Schumpeter, 1954; Alvarez & Barney, 2007). There has been extensive research on the characteristics and attributes of entrepreneurs and how they differ from other managers (Carland, Hoy, Boulton & Carland, 1984; Brockhaus, 1987; Busenitz & Barney, 1997). According to Sexton & Bowman (1985) entrepreneurs tend to be: i) tolerant of ambiguous situations; ii) prefer autonomy (described as self-reliance, dominance, and independence); iii) resist conformity; iv) interpersonally aloof yet socially adroit; v) enjoy risk-taking; vi) adapt readily to change, and vii) have a low need for support. These traits contribute to the psychological make-up of a person who is likely to initiate change either through a new venture or within a corporate environment. In contrast, owner-managers tend to be highly task focussed hands on, and committed to achieving personal goals within a venture that consumes all their time and is essentially an extension of their own personality (Carland, Hoy, Boulton & Carland, 1984).

To achieve entrepreneurial growth, the firm needs leadership of individuals with vision who are focussed on growth and profit maximisation as principal goals. Miller (1983) defined an entrepreneurial firm as one that “engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with “proactive” innovations, beating competitors to the punch”. Drawing upon this and strategy process research, Lumpkin & Dess (1996) clarified the entrepreneurial orientation of the firm in terms of five dimensions – autonomy, innovativeness, risk taking, proactivity, and competitive aggressiveness. Research on the performance of strategy making processes and styles of firms that engage in entrepreneurial activities also considers the variation in environmental conditions and organisational factors (Lumpkin & Dess, 1996; Lumpkin & Dess, 2001; Miller, 2011). Madsen (2007) found that SMEs maintaining or increasing their entrepreneurial orientation over time experience a faster employment growth, than firms with decreasing entrepreneurial orientation. Firms with limited access to financial capital and an environment where new opportunities are rare can benefit from being innovative, proactive, and pursuing risky new initiatives (Wiklund & Shepherd, 2005). In addition, how entrepreneurs obtain resources to exploit market opportunities and organize firms in risky and uncertain environments has been examined (Alvarez & Barney, 2004; Alvarez & Barney, 2005; Alvarez, 2007). While aspirations for growth have an impact on actual performance, access to the necessary resources and opportunities is critical for small firms (Wiklund & Shepherd, 2003; Wiklund, Patzelt & Shepherd, 2009).

The Role of Innovation

For small entrepreneurial firms, innovation involves changes that will potentially maintain or improve competitiveness by securing a point of difference within its chosen market (Porter & Stern, 2001). Innovation is associated with the creation of changes to existing products or processes that can improve the firm’s ability to offer superior value to its customers (Tushman & Nadler, 1986). The scope of these changes includes new and better ways of doing things which span all aspects of the business – from products and processes, to new markets and organizational innovations (Schumpeter, 1934). The OECD’s (2009) Oslo Manual defines four major types of innovation – product, process, and marketing and organizational.

While most innovation is incremental in nature, the commercially valuable innovations are often those that create significant changes or enhancements to existing technologies, products or services. This can be done either through a synthesis of existing ideas and

technologies in creative ways to produce new products and processes, or radical ‘discontinuous’ innovations involving major shifts in technology (Tushman & Nadler, 1986). Such radical innovations require two necessary conditions: a significant change to the core concept of the product and a major change in the way in which the core components of the product are configured (Henderson & Clark, 1990). Radical innovations which are disruptive of the technological norms in an industry or sector, may lead to new business models, new markets or new firms (Markides, 1997; Johnson, Christensen & Kagermann, 2008). Sustainable innovations that lead to major shifts in technology and dominant designs in products or service deliveries are less common among small firms, although when they do occur they are particularly noteworthy. Furthermore, the need for adaptation and change, the lack of bureaucracy, the multi-disciplinary nature of the work environment and the closeness of owner-managers to customers and employees, all contribute to increasing the likelihood of innovation in small firms (Vossen, 1998).

Although OECD (2010) data shows that SMEs innovate less than larger firms, changes in the environment such as increased incomes, more ‘niched’ market demands, the knowledge economy, changing technology, globalisation, and shifts into non-technological innovations have increased the importance of SME innovations. New firms and SMEs do not innovate alone, but rather in collaboration with others including their suppliers and customers, and with universities and research organisations. Collaboration enables innovative SMEs to overcome some of the barriers they face including limited funding, lack of management resources, technological competencies, and adequate time to invest in a long-term strategy (Winters & Stam, 2007; OECD, 2010; Mazzarol & Reboud, 2011).

Opportunity Formation and Exploitation

Within the field of entrepreneurship, there is general agreement that entrepreneurs exploit market opportunities to create economic wealth. However, the nature of opportunities and the processes by which they are identified and exploited has recently emerged as a key issue for further research and debate (McMullen & Shepherd, 2006; Alvarez & Barney, 2007; Alvarez, Barney & Anderson, 2013). There are now two specific theories which can be adopted to understand how entrepreneurial opportunities are formed and exploited (Alvarez & Barney, 2007; Alvarez, Barney & Anderson, 2013).

Entrepreneurial discovery theory assumes that opportunities are formed by exogenous shocks to pre-existing markets and then discovered and exploited by entrepreneurs. These opportunities are identified primarily by *search* processes which involve systematically

scanning the environment to discover opportunities to produce new products or services (Alvarez & Barney, 2007). Exogenous shocks may include technological changes, political and regulatory changes, and social and demographic changes that disrupt the competitive equilibrium that exists in a market or industry to form opportunities (Shane, 2003). Entrepreneurs use local search to *find* modest opportunities to produce new products and services and/or global search to *find* more substantial opportunities (Levinthal, 1997). The entrepreneurs who discover these types of opportunities are significantly different from others – as outlined by Kirzner (1973) in terms of *alertness* – which may include information asymmetries, different risk preferences, cognitive differences etc. (Shane, 2003).

Entrepreneurial creation theory assumes that opportunities are created endogenously by the actions of entrepreneurs that seek to exploit them. These opportunities are *created* by the *actions, reactions and enactment* of entrepreneurs exploring new ways to produce new products or services (Alvarez & Barney, 2007). Entrepreneurs actions form these opportunities (Baker & Nelson, 2005; Bhide, 1999; Sarasvarthy, 2001) using iterative *enactment* processes (Berger & Luckmann, 1967; Weick, 1979). As creation opportunities are socially constructed they incorporate the entrepreneur's beliefs, observations, and decisions which may change over time to reflect additional knowledge and information. Hence these opportunities *emerge* via a path-dependent learning process (Arrow, 1974; Arthur, 1989).

Strategic Networking

Small firms operate within a wider network of actors including customers, suppliers, financial institutions, government agencies, local authorities, employees, other firms and stakeholders (Jennings & Beaver, 1997; Gulati, Nohia & Zaheer, 2000; Shaw, 2006). The entrepreneurial manager can leverage such networks to secure resources that they do not possess within their own organisation with resulting competitive advantages (Ostgaard & Birley, 1994). In addition, strategic alliances, networks or partnerships can be formalised with other players to assist business development, survival and growth (Street & Cameron, 2007; Alvarez, Ireland & Reuer, 2006).

Strategic network relationships operate on three broad levels or embedded layers (Holmlund & Tornroos, 1997). The first of these is the *production network layer* which consists of the vertical supply-chain relationships flowing through a particular business activity system. Critical actors here are the key suppliers and lead customers. Key suppliers are those firms who offer critical inputs to the firm and who could degrade the firm's competitiveness if they allowed their own quality or efficiency to degrade. Lead customers

are typically dominant in their own industries and have above average levels of competitiveness. They assist the firm to benchmark its quality to the highest levels and consistently drive up performance standards. Lead customers offer firms access to new markets and increased sales; they also serve as a source of new ideas and often collaborate with their suppliers to foster innovation (AMC, 1994).

The strategic network also consists of a *resource network layer* and a *social network layer* (Holmlund & Tornroos, 1997). The actors who control resources necessary for the production process (which the firm does not possess themselves) include financial institutions (e.g. banks, venture capital firms), insurance providers, transport, storage and communication industries, education and training institutions. It may also include research centres or firms in other industries that can provide complimentary goods and services or transfers of technology (e.g. packing technology). The resource network layer thus consists of more actors than the production network layer and is more difficult to delimit, because of the many different types of resource actors included. The third layer incorporates the social interaction that takes place between personnel from the firms within the network. Social interaction can be both formal and informal in nature and has been shown to be an important source of innovation due to the sharing of knowledge that takes place (Hogberg & Edvinsson, 1998)

The role of strategic alliances is to assist the firm to accumulate the necessary resources for the entrepreneurial venture's activities. Small firms are likely to enter into networks as a result of their owner-manager's perception that they offer access to new markets, build existing capabilities or assist in defending existing market position. Close associations with leading customers and key suppliers can assist with development of new products and markets e.g. by providing access to new technologies, enhancing quality and reputation. Networks, particularly within the resource layer, help to build existing business capability by accessing financial resources, knowledge and skills, or sourcing physical capital or information. Alternatively, the network may serve to help the firm defend its market position through joint promotion, the establishment of barriers to new market entrants or protection against substitutes (Jarrett, 1998). In addition, the personal social network of the owner-manager/entrepreneur is a valuable source of knowledge and ideas and can assist with strategic decision making (Hogberg & Edvinsson, 1998). Entrepreneurial managers can search for resources from their direct ties or from indirect ties (Aldrich & Kim, 2007).

Product-Market Growth Options

For a small entrepreneurial firm to grow it is important to manage an expanding portfolio of products and markets. Ansoff (1965) developed a framework for the different types of product-market options which provide a basis for sales growth and this seminal matrix continues to serve as a valuable structure for strategic decision making. Firms can launch into new markets with their existing products e.g. exporting to new geographic markets or using new distribution channels such as e-commerce. To adopt this market development strategy is more risky than simply increasing sales in current markets (market penetration) and requires due diligence on the new markets before making additional investment to scale up distribution. However, this option may still be more cost effective than developing new products to sell in current markets. Although a product development strategy may require new competencies, R&D and innovation, this approach is likely to be suitable where products need to be differentiated to remain competitive.

When a firm launches a new product in a new market, this is a diversification strategy. This approach has a higher level of potential risk as the firm is operating outside its known boundaries. As part of the decision making, firms need to look for product-market combinations that will achieve synergy. This requires a detailed understanding of the customer needs, product or service technology, and competitor analysis in order to be competitive and increase performance (Ansoff, 1987). Small firms can seek growth more readily via product or market development, rather than diversification because of the resources required and the risks involved (Watts, Cope & Hulme, 1998). Further, it is important for them to check feasibility and not over stretch internal resources.

Strategy Triangle Process

The process of strategic management within the entrepreneurial venture is likened to a triangle with three key elements: i) strategy, ii) structure, and iii) the resources required to achieve strategic goals. The strategic triangle fits with Chandler's (1962) original theory about the importance of alignment between strategy and structure. In addition, it recognises the importance of resources for strategy making which aligns with the resource-based view of the firm (Barney, 1991; Barney & Clark, 2007). Identifying potential sources of superior performance and competitive advantage is a key step in the strategy process. In terms of the VRIO model, sources of competitive advantage are commercially valuable, rare in the industry, not easily substituted by customers or copied by competitors, and exploited by the organisation.

As an entrepreneurial venture develops and grows, revisiting these key areas of the strategic triangle will be important. Resource constraints may initially impede the firm's ability to achieve its strategic goals, but as it grows strategic analysis will assist with decisions on resource acquisition e.g. protecting unique resources. In terms of organisational structure, it can be challenging for the owner-manager/entrepreneur to recognise when to make changes in the managerial structure as the firm grows. Successful growth will typically involve continuous juggling of these three strategic elements and the need to keep the strategic triangle in equilibrium. While strategy making in entrepreneurial firms is subtle, complex and multi-faceted, growth firms integrate the formality of the planning process, with the more intuitive emergent approach, as appropriate (Fletcher & Harris, 2002).

RESEARCH METHODOLOGY

A qualitative study of SMEs was conducted using a case study approach to investigate the over-riding research question: How do leaders of entrepreneurial SMEs manage growth? Five cases were selected for this project using a purposeful sampling strategy rather than random sampling approach as recommended by Eisenhardt (1989). Criteria for selection included entrepreneurial leadership, SME size and experience with substantial growth. A case study protocol was developed to guide the data collection process and a pilot case undertaken (Yin, 1989). A series of specific research questions were considered including:

- What are the personal characteristics of entrepreneurs who manage fast growth entrepreneurial ventures and is there a pattern to be found?
- What are the characteristics associated with innovations as found among fast growth entrepreneurial ventures and is there a pattern that defines them?
- What are the key features of strategic networking by entrepreneurs within fast growth entrepreneurial ventures across the production, resource and social network layers, and what is the strategic intent of such strategic networking?
- What are the key pathways to growth (e.g. growth vectors) adopted by fast growth entrepreneurial ventures and is there a pattern?
- What is the pattern of strategic management within fast growth entrepreneurial ventures in relation to the strategic triangle?

Data collection involved in-depth interviews over several hours with either the founding entrepreneur of the business who was still in the role of Executive Director or CEO. In some cases multiple interviews were undertaken where there was more than one senior leadership

team member. Data coding was initially undertaken manually by two independent researchers, and subsequently examined using NVIVO software. NVIVO was used to undertake the final examination of the data drawing on the previous coding structure to develop initial within case and cross-case analysis addressing the research questions associated with the conceptual model (Hoover & Koerber, 2011).

THE CASE STUDIES

Five SME case study firms were selected for this research. Table 1 lists these businesses and provides a brief description of each. For the purposes of anonymity we have called these firms AIRCO, PRINTCO, RENTCO, PROMOCO and ROADWORKS.

Table 1: The Cases General Description

AIRCO	Design and manufacturer of air-conditioning systems founded by a husband and wife team who migrated to Australia from South Africa in the mid-1990s and had been running the business for around 8 years at the time of interview. The company had grown rapidly and had operations in Australia and South Africa with annual turnover of A\$30m. The company was employing around 230 people on full and part time contracts.
PRINTCO	Printing company that was founded by a husband and wife team in the late 1980s as a type setting business that co-located with a printer. However, the printer ran into cash flow problems and debt and the type-setting industry was facing decline due to digital technologies. In the 1990s the founder owner took on new partners with backgrounds in information technology and transitioned the company into printing by purchasing an existing printing business in 1997. At time of interview the business was turning over around A\$18.5m and employed approximately 87 people.
RENTCO	Founded in 1996 this business provides a financial services system for retailers and banks to offer point of sale financing for small business owners seeking to purchase computer and related office equipment. The company was founded by a former sales manager from within the financial services industry. At time of interview the company had grown strongly across Australia and the UK with new operations in Europe.
PROMOCO	Established in the 1980s by a former sound engineering, this company specialises in audio visual marketing communications and promotions for larger corporations. At time of interview the company was employing 120 people in Australia and South East Asia with an annual turnover of more than A\$13 million and customers in 18 countries.
ROADWORKS	Founded in 1997 this business is engaged in road management and maintenance systems and contracts to state and local government under competitive tendering. It was founded by an owner who had previously worked within a similar company as a key manager and helped to build it up from 4 staff and 3 old vehicles to over 35 full time employees. However, an attempt to buy the company from the owners failed, triggering a decision to set up a rival business. At time of interview the firm had an annual turnover of A\$4m and around 80 employees.

Each of these five companies were from different industries such as manufacturing (e.g. AIRCO, PRINTCO), financial services retailing (e.g. RENTCO), communication and marketing (e.g. PROMOCO), and construction (e.g. ROADWORKS). What they had in common were that all had experienced significant growth and at the time of interview were

continuing to grow. Their management teams were small and lead by one or two entrepreneurial managers who had founded the companies usually after working in the industry with another company and feeling that the “way of doing business” in that sector could be significantly improved. They were also characterised by management teams with a team-focus even though there was typically a single dominant entrepreneur.

Other noticeable attributes of these five companies were their need to manage the relatively rapid growth that they had experienced and their struggle to identify suitable opportunities for innovation, partnering or networking and the charting of a suitable “growth vector”. As outlined below these five firms provide evidence to support the conceptual model proposed by Mazzarol (2005) and illustrated in Figure 1.

CASE STUDY ANALYSIS

The main units of analysis for this study were the key elements of the conceptual framework and the transcripts were coded to focus on: entrepreneurship (as measured by the firm’s leaders); innovation; strategic networking; the growth vector; opportunity recognition; and the management of the strategic triangle.

Entrepreneurial Leadership

All five firms had strong, entrepreneurial leaders although they also showed quite marked contrasts in their background and personalities. For example, the founder and CEO of PROMOCO was a rather flamboyant personality who admits to being “loud, congratulating and a little dictatorial at times”. He described his own management style as “giant chaos” and certainly not passive. Our observation of him is that he displays many of the qualities that define a transformational leader; charismatic, visionary, able to motivate by articulating a strong sense of purpose and values, willing to take risks and make use of creativity to solve problems. In our interviews with him he confessed that he did not “suffer fools gladly” and “didn’t like idiots”. As he described himself the development of his business was a form of excitement and he was not simply content with a status quo business that did not seek to continuously evolve or grow:

“The thrill is in the chase, it’s not getting there. There is no satisfaction for me sitting back and saying, right, now I’ve got what I want, I’m just going to make all this money off the top and sit around in my office and do nothing. I’d rather be pushing myself every day and I quite like the thrill of that. I like the ability to impact people and certainly what we do here gives us the chance to wow people, and I like the theatrics of what they are doing and the emotional side of it.” (CEO, PROMOCO).

He made a specific point that the majority of his management team were women, who he felt were better organised than men. He claimed to have had some problems with male managers who did not seem to cope with his type of business. His stated preference was to try to groom future managers from within the firm rather than have outsiders brought in who did not understand the culture he was trying to build.

The founder CEO of RENTCO was equally driven, having established the firm at the age of 35. Without formal qualifications he had reached out to a small group of professional advisors who he had assembled into his board of management. This board was designed to assist him in the strategic management of the firm. As he explained:

“A strong board who constructively challenge you as the CEO is critical to the growth of a company; so I really welcomed that structure. It wasn’t me letting go of my baby, it was just the opposite. I felt really quite liberated...so your choice of partners at that critical stage is absolutely fundamental...The business has grown for the past three and a half years, you know we’ve been one of the top 100 growing companies in Australia for four years...when venture capital comes in, they typically come in because something has been going right with this business...so when I went out and broadened the shareholder base, what I was looking for was the right money for growth and a strong board.” (CEO RENTCO).

However, despite the presence of this board the CEO of RENTCO noted that the overall leadership of the company remained with him:

“...there’s only one entrepreneur in this business and by that I mean there must be a single minded vision for the business that everyone is aligned to from Board down and typically that is my role to provide that vision.” (CEO RENTCO).

By comparison the CEO’s of AIRCO and PRINTCO were more reserved as people although they too had surrounded themselves with co-directors that included their wives and non-family directors who contributed skills and capabilities they felt they lacked. What they all possessed was a passion for their business and the desire to approach things in their industry differently. For example, the CEO of AIRCO had been a professional accountant prior to starting the business, this transition had been quite challenging, a “huge jump”. As he explained:

“We often say that we worked on adrenalin and fear for the first six months. Yes it was a very big jump. But, probably the first six months was just fear alone. I think it’s one of those things too. Some people play tennis well. Obviously my wife and I play business well. It’s an innate skill that I think we have. And so the company actually did well. For something like four years we built it from nothing to sales of close to four million dollars.” (CEO, AIRCO).

The CEO of PRINTCO was also a relatively quiet and reserved person who had commenced his business career by establishing a small type-setting business with his wife, then expanding this later into printing following a realisation that the future of type-setting was limited due to the emergence of digital technologies. He had brought onto his management team additional

directors with computer and information technology skills, and then a strong and dynamic partner who had expertise in sales and marketing. This partner had a very extrovert personality and was a significant counterbalance to the CEO. Yet the CEO of PRINTCO was a very strategic thinker who had sensed the future trends in his industry:

“First thing in ’92 I realised, which was a strategic revelation, that typesetting was going to become pre-press that included the colour scans with fully laid-out pages....Technology. I mean, I have always been a huge reader. I’d just read vast amounts of stuff and a lot of it you say, ‘I don’t think it’s going to work like this.’ But by and large, I was right.” I just thought I was like everyone else. I thought everyone was more or less the same. My science training made me quite analytical. I come down to never many more than 10 bullet points. I’d work through the pros and cons and sort out the money and make a decision. And almost everything we did over the past 14 years has been overwhelmingly obvious to me.” (CEO PRINTCO).

The CEO founder of ROADWORKS was one of two partners in the company and like his counterpart in RENTCO he did not have a strong formal education, but had worked in South East Asia across a number of countries where he was engaged in sales and marketing. This helped him to learn about management and the need to find people who can provide him with the expertise he lacks. He explained this as follows:

“I’m not an accountant, I don’t profess to be, so I’m not going to dabble in something or pretend to know what I’m doing in that regards. So I will engage the services of somebody that who is good with that. I’m better focused at what I am good at, work at what you’re best at, rather than try to a fantastic receptionist...every person in an organization has a critical role and I don’t care if it’s the cleaner that comes in or if it’s the person who signs the cheque...whilst people have organisational charts...I do like to think that there is a circle and within that circle everybody has a critical or a crucial part to play within that business. It could be the cleaner, if the cleaner doesn’t come in and clean something up and it looks messy, you might have a major client coming in and sees it and lose the opportunity. It’s no different from your general manager not doing something he was supposed to do, you could lose the business just the same.” (CEO ROADWORKS).

A common pattern that emerged from these five cases in relation to entrepreneurial leadership was that all the firms had team leadership models with a dominant CEO who had a clear vision for the firm and a willingness to bring into their boardroom fellow directors who the felt added complementary skills. While the CEOs from AIRCO and PRINTCO had university educations and professional backgrounds prior to establishing their companies, those from RENTCO, ROADWORKS and PROMOCO were less well educated. The PROMOCO CEO had a skilled vocational background (e.g. audio engineer) and had worked within television stations. The other two CEOs had been senior sales and marketing professionals working in large insurance (RENTCO) or oil companies (ROADWORKS). What was a common experience for all of them was the need to essentially learn on the job how to establish, operate and grow a small entrepreneurial company.

Opportunity Recognition

All five cases demonstrated strong opportunity recognition that was often triggered by an experience involving a business failure or tension with another owner. For example, the CEO of ROADWORKS had been working as a manager for a small road services company prior to founding his business. He had helped to grow it from “four employees and three old trucks” to where it was employing around 35 people. However, the owner-manager of the firm was poor at financial control. The ROADWORKS CEO sought to take over control of the firm but was rejected:

“Unfortunately, the chap was spending more money than he was making, I approached him and put it to him that I would like him to step aside, whilst he owned the business I wanted him to step aside and continue to draw the salary he was drawing and allow me to turn the business around so it was profitable. I said to him that I’d step aside if he thought I was doing it wrong. His comment to me was that he was either in it or out of it, so wouldn’t do it. I asked him how much he wanted to get out. He wouldn’t tell me. He said he’d get back to me, but he never did...and that went on a few months. Whilst the business had a lot of opportunities out there, my concern was that a lot of the clients we had thought it was my business because I was passionate about things when I’m working.” (CEO ROADWORKS).

Eventually the CEO of ROADWORKS gave up trying and left to set up his own business with a 50/50 partner who looked after the operational issues while he focused on the more strategic ones. His early attempts to secure bank financing for the company were rejected on the grounds that “80% of all new businesses fail in the first 2 years”. The bank had even refused to look at his business plan which showed that he had secured long term contracts, but to no avail. Despite this the business turned over more than \$1.2 million in its first year.

AIRCO’s CEO had a similar experience which triggered his decision to start up his firm. He had been in partnership with another owner selling air conditioning systems rather than designing and manufacturing them. A dispute led to the two parting company and the formation of AIRCO. The CEO did not feel that the decision to found his business was particularly strategic:

“No it wasn’t a strategic decision at all. It was an opportunity that was given to us, and we took it and ran with it. I think some things were strategic reasons, but often the very biggest things are actually things that happen and then you strategically make them work.” (CEO, AIRCO).

Despite not feeling particularly strategic about the decision, the AIRCO CEO did feel that he had a very clear idea that his new venture was where he wanted to go and that he could make a success of it.

The opportunity recognition that launched PROMOCO was triggered by the CEO losing his job at a television station and needing to find employment. As with AIRCO he did

not undertake much formal planning although he did have a clear vision. His approach to planning for the entrepreneurial start-up was intuitive and informal, with a strong reliance on “the law of small numbers” and his own personal judgement as to what might work. As he explained:

“I did some homework on it and it was pretty simple. That solved the problem and then I went out and told a few people that this was a great idea, and I got one client who said yes. Then I got another client and another client, and then we had about 9,900 of these systems around the Asia-Pacific. So that was the short answer of how it got started.” (CEO, PROMOCO).

While ROADWORKS had prepared a formal business plan prior to launch the entrepreneurs from the other firms did not, although they were not were not lacking in a systematic assessment of their opportunities and the things that they should avoid. The CEO of PRINTCO had seen the demise of the type-setting industry and had therefore embraced information technology. However, he wanted to bring this into printing and had initially sought to do so via partnering with a printer with who his type-setting firm was co-located. In a similar pattern to ROADWORKS this early partner was found to be in financial trouble and served as a good example to the CEO of PRINTCO what not to do:

“Money was like heroin. It would just go straight through their fingers. The more they got, the more they needed and I became quite concerned when a tow truck hooked up his new car. I had an old bomb. I didn’t know at this stage it was to be repossessed. Then he had to go off to all these meetings with people like the water board to arrange payment of his rates. Apparently he was 3 years behind, and he came into some arrangement of paying \$14...no \$7 a week of his water and he couldn’t meet that payment. And I just thought, ‘this is the kind of guy I don’t need in business’. Fortunately, about August or September ’91, his old sales manager approached him. He talked him into going back and he just came to me one day and said, ‘This is too hard, I want out.’ (CEO PRINTCO).

The process of opportunity recognition was therefore a combination of seeing strategic trends in industries and reacting to the unforeseen events such as financial distress of partners or the loss of employment. In the case of RENTCO the CEO had been working in a similar business and had helped create it only to find that he had been “shut out” by the firm’s shareholders who he felt had stolen his ideas. He became so angry that he was driven to launch his own rival business and compete with them. His own approach to opportunity recognition and screening was described in terms of the ability to be “nimble” and have the capacity to “capitalise on opportunities”. However, he placed a lot of importance on using information to help him calculate and assess the risks:

“If you try to go into a new industry or territory or market then gathering as much information as you can is critical to effective decision making and the success of the venture.. When you go into a new market place, it can be perceived as a risk, but the degree of the risk is mitigated by the level of information you have gathered prior to that step. Information allows you to minimise exposure. We can recognise the exposure and the opportunity. There must be risk or there is no upside. The trick is to get

the balance right so that the risk you take is not life threatening to the business but has significant upside if it succeeds.” (CEO RENTCO).

Using Innovation

All five firms engaged in some form of innovation to help secure their growth. In the case of RENTCO the firm’s business model was built around an innovative credit management system that allowed small business owners to secure point of sale financing for computer and related equipment from retailers. The financing was secured by banks but the size of these loans was too small to justify their transaction costs so this was undertaken by RENTCO. In addition to the business model design the firm possessed a software system protected by formal IP registration that handled the transactions. AIRCO was a major investor in new technologies and had a strong design and manufacturing focus with the development of its own products. In addition to the new product innovations, AIRCO also focused on process and service innovations. Initially the company was engaged in supplying to major construction projects and the key innovation was to bundle components that traditionally had been sourced separately from various suppliers. AIRCO targeted the storage and handling costs of major wholesalers who usually held stock in inventory. They agreed to supply components at a given price just-in-time to help lower the warehousing costs:

“So we went to some of the biggest companies and said: ‘look what your warehouse is costing you, look what your installers are complaining about, the store person. We will take all of that on; we’ll charge you the same price as what you’re getting. But we will deliver each thing to site, plus you will pay \$25.00 delivery charge, but when you work out the cost plus the frustration’...In other words, if anything is wrong, we’ll sort it out, and so that is what we did. The only thing we really had to offer was huge commitment to getting it right way more than anybody else.” (CEO, AIRCO).

Later as the business grew AIRCO invested more into the design and development of new products with strong investment in R&D and a close eye to IP rights protection via patents and branding, including the development of a retail brand using TV, press and radio:

“One of the big things is that we have spent a lot of money developing more high-tech products, such as sensors in each room...and we have also spent a lot of money advertising those products and educating the market that these things do exist, creating a demand for them but also for the brand.” (CEO, AIRCO).

For PROMOCO innovation was the initial business idea to offer retailers’ pre-recorded “radio” shows playing in their stores with music but where the only adverts were for the store. Later this developed into telephone waiting music with adverts and corporate videos and other audio-visual promotions. The original idea was easily copied so innovation took the form of continuously looking for ways to value add and this was backed up with a highly innovative approach to promotion that helped build up the firm’s brand name. In addition to

the continuous development of the products, PROMOCO also focused on a regular revision of its business model to help enhance profit, reduce transaction costs and build customer loyalty. His innovation was both incremental and applied to product, process, marketing and business administrative systems. As he explained:

“In the old way I had to sell them the audio production and systems and in three months’ time if they said yes we want update the recording, I’d have to go and sell them another production and it’s always hard selling again. You want people sold once and then be contracted...we got hooked on this big up-front cash payment which made us very rich, and that obviously left us with this tremendous liability that we had to do this audio production in the future. If we stopped selling new contracts today, we still had all this work that we had to do. So that was a bit of a worry.” (CEO, PROMOCO).

Innovation at PRINTCO was focused around making best use of advanced technology in the printing process and finding new ways to reach customers. As with all the other companies, there was a strong investment in their employees and ideas were actively sought from the shopfloor over new ways to do things. The CEO of PRINTCO held similar views to his counterpart in AIRCO, namely that investment in education of staff would result in enhanced innovation. The company also invested in its managers, funding one of them to do an MBA, something unheard of in that industry:

“The biggest innovation I think, and I’m proud of this, is sending the guys to uni. I feel proud. (The ones that go to uni) don’t buy the discipline of having to be right. And I was seriously disappointed, personally, when a couple of them just pulled out this year. Then when Murray went on, with 7s or 8s in his two units, I sort of thought, ‘You beauty.’ I know he’s got the brain. I see that as innovative. (CEO PRINTCO).

He also told a story of watching a pack of dog’s in the park running back and forward chasing a ball. One dog was much smaller than the others and could not keep pace with the larger ones. He noticed that rather than seeking to match these larger dogs at their own game, the little one ran only so far and waited for the other dogs to turn. It then shifted quickly to get in front and keep pace, then fell back and waited. He felt that the little dog was demonstrating a form of innovation, matching its agility against the overall speed of the larger animals. He hoped that PRINTCO could emulate such behaviour to keep ahead of the pack.

The approach taken to innovation in ROADWORKS was more focused on their employees. The company’s business was managing road maintenance and traffic safety. It was a largely manual, out door, blue-collar workforce and took place in an industry that did not traditionally place a lot of value on the skills of the workers. ROADWORKS hired a new General Manager with an MBA who had a background in the air force. He quickly took action to help build morale amongst the workforce. This included placing everyone into smart uniforms with the company logos and having all the vehicles painted in a uniform colour

scheme with the company logos on the side. The impact was significant with *esprit de corps* rising quickly. The company then began to diversify into other areas of business that can capture more value and help differentiate the firm:

“With straight traffic management, you basically need a ute, which you can hire. You need some traffic signs which you can get made up. It will probably...to be honest, to do a couple of smaller jobs around town, with a two-man crew, you can probably set it up for less than \$5,000 dollars But if you think of basic traffic management as labour hire, a company calls up and says we need some traffic management for this site, we send out 2 people, they’re in a ute, they got to get there and they have to put up some signs. Basically all they do stand there for the rest of the day, that’s it. That’s the job. That’s labour hire. So, they are paying by the hour. But we are now diversifying into guard rails and signs...it’s all on our business cards, you’ll see it. A consequence of that, as we’re moving to better margins business. We get to use more of your manufacturing margins than straight labour hire margins.” (General Manager ROADWORKS).

The overall pattern that emerges from these cases in relation to innovation is that all firms were engaged in a constant quest to find new ways to generate value for customers and gain a market advantage. Whether it was through new product development, market innovations or a restructuring of their business models, they were generally challenging the industry status-quo. In doing so they were seeking to secure and retain new business using approaches that other competitors had failed to recognise.

Strategic Alliances and Networking

The success of these firms was also characterised by their active engagement in the formation of strategic alliances supported by active networking. RENTCO had grown its business through the firm’s ability to secure strategic alliances with banks as suppliers of money and retail computer equipment stores as suppliers of customers. The firm negotiated a range of deals within Australia during the first phase of its growth. However, it was the ability of the CEO to secure a major agreement to establish a joint venture in the United Kingdom that really enhanced its international expansion. The securing of this alliance with one of the UK’s largest computer retailers was reliant on the CEO’s ability to build trust and strong personal relationships. It was described as a period that took much longer than anticipated and forced him to spend around six months a year living in the UK away from home and draining his personal finances and personal life. Yet it was the personal connections that mattered. As CEO RENTCO recalled the initial contact with his joint venture partner:

“...and I remember the conversation I had with this particular chap. It was something along the lines of, Derek, you’re a hard man to catch, I know you know a bit about my business, look I’ve emailed you and I’ve had a quick response from your P.A. We’re coming to the UK to launch a unique proven finance service proposition that is currently being utilised by Australia’s largest retailers, I want to launch it with the largest retailer in Europe and that’s why I have contacted you. We are determined to break into the European market. Can we have 20 minutes to discuss the opportunity” you’ve got a guy

on the other end of the phone who is responsible for a £15 billion organisation and really what is he looking for? He doesn't really care if we're in the top 100 growing firms in Australia. He doesn't really care if I won an award or if I haven't. What he cares about is growth— he is looking for an edge – so if I can give him something that might actually do this and make a breakthrough for him...then he is interested.” (CEO RENTCO).

A major consideration for RENTCO in the formation of this alliance in the UK was that the size of the market there was too large for this small Australian company to take on alone. The formation of the alliance helped to reduce the overall risk it faced:

“What we did in the UK was we thought the exposure was too big, and we thought the better way to minimise exposure is to joint venture...So you reduce the risk from the outset, but it allows us now as a footprint to go on to the rest of Europe with limited exposure .” (CEO RENTCO).

For PROMOCO and AIRCO the most important alliances were those they formed with their lead customers and key suppliers. PROMOCO's first major market breakthrough occurred when it secured a major contract with a leading fashion retail chain early in its growth cycle. AIRCO had a similar experience in its early years, but with key suppliers who backed the firm as a local sales and distribution agent for its products. Over time the two firms learnt the importance of securing close working and strategic relationships with lead customers and key suppliers. These relationships helped the firms' access new technologies:

“Our supplier at the moment is very good, because they come up with new technology, which allows us to do different things. We can now get audio into Singapore within five minutes of recording here, whereas in the past we couldn't. So that was a drawback to our entering Singapore.” (CEO, PROMOCO).

For PRINTCO and ROADWORKS the other major network relationships were in their 'resource network layer'. This included banks and accounting firms, as well as universities. The CEO of PRINTCO undertook a management development course at a local university targeted at small business owners. His own background had been in libraries and he placed a high value on education. As noted above he was keen to encourage and even fund his managers to undertake courses at university. ROADWORKS, despite its initial problems with securing bank finance in its start-up year forged a strong relationship with its bank as well as key suppliers who they viewed as important to their success:

“We have since gone through a few different levels of bank managers now and we have a very good network. My network extends beyond just those kinds of people. I like to develop relationships with our suppliers as well, that's critical, it's all very well and good to treat people and to work with people in a nice manner that you want something from, people seem to forget that without suppliers, the business isn't going to run. Ringing up and being dogmatic and nasty to them because they are suppliers. Why not reverse it? Because everybody is nasty to them, everybody treats them as subordinates, reverse that and show them some respect and you will get the world.” (CEO ROADWORKS).

Overall the firms relied upon their lead customers, key suppliers and specific partners in the resource network layer to secure many of the resources they required to facilitate their growth. They also leveraged these networks for market information including knowledge of new technologies and trends.

Strategic Growth and the process of managing the Strategic Triangle

Each firm followed a different approach to finding their strategic growth vector. AIRCO started life as an agent for manufacturers and a business model that offered value to customers via enhanced services and bundled supplies. It then shifted into the design and manufacture and moved backwards and forwards in the supply chain playing the role of retailer, wholesaler, manufacturer and then retailer over its growth cycle. Its initial attempt at expanding internationally failed due to a “clash of personalities, cultures, how to do business, everything”. For RENTCO the growth trajectory was to secure a dominant position in its domestic market in Australia, then form a joint venture with a larger firm in the UK that expanded it nationally there before moving into Europe. The key to growth for PROMOCO was the ability to expand their market by securing customers with national and international operations that took the firm across thousands of sites within eleven countries. PROMOCO also developed a concept known as “ambush marketing” whereby they place their brand name prominently in the line of TV cameras at major events and undertook other “stunts” to secure attention.

PRINTCO’s growth was built on a combination of investment in new technologies and equipment, investment in its people and a proactive approach to marketing. They created a sales team, comprising mostly young attractive women, and sent them out to canvass for new business and manage existing accounts. This was the idea of the firm’s marketing manager who was the co-director and owner. With most printing firms being male dominated in the sales teams this was a major point of differentiation. PRINTCO’s CEO developed a formal vision and mission statement and posted them on the walls throughout the building and even printed its “strategic intent” statement on its business cards. However, resource management was a major issue as it was for all firms. This involved changes to these companies’ boards and senior management teams, and the need to adjust strategy to keep pace with the almost constant lack of resources.

Resource management was a constant issue for these firms in their growth. For example, money was tight for PRINTCO and also for ROADWORKS which both faced periods of tight cash flow. This was also an issue for AIRCO as all these firms needed to

invest in substantial plant and equipment as well as relatively large numbers of employees. One of the key resources these firms needed to facilitate their growth and maintain performance was high quality managers. For example, as it grew PRINTCO developed its management team and the professionalism of its board. It recruited a chief financial officer and other senior executives. The CEO described being advised by a senior manager from one of the local universities that the company had a management team that was capable of running the business at an operating level of \$18 to \$25 million per annum, but once it grew beyond \$35 million this would change and more capable managers would be required.

This was a similar experience for RENTCO, ROADWORKS and AIRCO, which all expanded their management teams as they grew. The international expansions of RENTCO and AIRCO made this even more imperative. As each new production and distribution office was opened in another state or overseas, AIRCO found its structure change and the challenge of finding new managers and extending the culture grew. The firm adapted its structure to include share equity deals for managers in an attempt to get the right level of commitment. The owner-manager of AIRCO saw himself as the initiator of strategic change, but left it to his wife and business partner to implement his plans:

“So my strength, I suppose, is that I can make something happen from nothing and see the opportunities and work out a way and plan and scheme and get something done. But once I’ve conquered that or I feel that it’s worked out and the challenge is over, also because I’m a big picture person, and not an attention to detail person; I need other people to come and actually realise the potential.” (CEO, AIRCO).

The owner-manager of AIRCO sought to involve his entire workforce in planning where possible. He deliberately avoided hierarchy and wore the same work clothes as his factory employees. Regular staff meetings were held to gain feedback on ways to improve operations and all employees were empowered to make suggestions to enhance productivity within their teams. This approach to operational management was a form of total quality control and continuous improvement. In hiring managers AIRCO sought a range of options with experienced people brought in from outside, trainee graduates recruited from university and grooming up from within the ranks of the factory employees. Over the growth cycle of the company the owner-manager felt that he had changed his role several times. He viewed his role as the firm grew to medium size as being...

“...the leader of the leaders, or the manager of the managers, or the coach of the managers.” (CEO, AIRCO).

In terms of setting strategic direction he felt that this was a constant issue for him and never far from his mind.

“I very seldom stop thinking about this stuff. If we go on holiday for two weeks, even though I’m lying at the pool doing nothing, I’ve learned that I actually have to get a pen and paper and spend the first week just writing out pages and pages and think about how to do something better. Once my brain has cleared all that, then I can get on with relaxing.” (CEO, AIRCO).

The larger his firm grew the more he felt the need to make the right decisions as the sizes of the investment decisions were significant and the potential for losses greater.

PROMOCO experienced a similar pattern of growth with the firm having to adjust its organisational structure several times as it grew. In its early years it formed a partnership with a financing company able to offer its customers a mechanism for funding the equipment it was installing. However, this partnership imposed some undesirable financial constraints and the firm was forced to restructure its business model. As the company expanded the owner was required to build a management team and then a marketing and production department with specialist skills and systems. Like his counterpart at AIRCO, the CEO of PROMOCO focused mostly on the big picture and left the details to his management team. To assist with the planning process he held regular formal strategic retreats:

“We have meetings every Monday and we have once or twice a year a getaway for staff where we just go out and have a team-building day, do exercises and have fun. And once a year we have a future planning day for the company where all the managers get together and we plan and chart the next five years.” (CEO, PROMOCO).

According to the CEO of PROMOCO these strategic planning meetings were structured around a predetermined agenda and designed to get everyone thinking about the business and what would happen in the future. The firm also held monthly finance meetings to review budgets and weekly sales meetings to track the flow of new business generation. Data was kept and analysed regularly within the firm to allow decisions to be made. As the firm grew it purchased its own buildings as a form of long term investment.

For ROADWORKS the appointment of the new General Manager helped to engender a new approach to a more formal strategic planning process. He saw his initial role as one of setting and implementing operational systems, but once these were in place he began to focus more on the firm’s strategic direction and in helping to foster greater responsibility amongst the more junior managers throughout the firm:

“My interpretation of a general manager, is that I keep an what every division is doing, every section is doing, just holistically, bird’s eyeish, you know I spend time with operations and find out what they need in order to succeed in their roles...sales, planning, go out on the road...I have high level contact with our customers...at a board level or general management level. But I’m also in charge of strategic development I believe for the company I have to have a strategic focus and my job is to grow it strategically, not ad hoc. I put in place the plans and I take those plans to the owners of the board or whoever it is that I need to report to, generally as a general manager that’s what I do. I’m not specifically managing anything, but I’m overall managing everything.” (GM ROADWORKS)

DISCUSSION AND CONCLUSIONS

The five cases provide support for the conceptual model originally proposed by Mazzarol (2005). Of particular importance is the role of entrepreneurial leadership that is willing to embrace innovation, take calculated risks and leverage their strategic networks to follow a growth strategy best described as emergent rather than deliberate in nature. The ability to successfully match product to customer needs, and manage limited resources to exploit opportunities were illustrated. This process of “balancing the strategic triangle” is highlighted by the cases, which is consistent with existing theories of the entrepreneurial firm (Alvarez & Barney, 2004; 2005; Alvarez, 2006; Alvarez, Ireland & Reuer, 2006). Their successful growth appears to be a result of dedication and commitment, but also their ability to identify a niche in the market for a value added offer utilising innovation in process and product. The entrepreneurs leading these firms were committed to finding ways to identify and deliver customer value and a constant quest for improvements in product and service quality. Their investment in technological product and process innovations helped to boost their ability to follow a differentiation strategy. They also invested strongly in their employees encouraging training and education as well as delegation of responsibility at all levels. The firms were also characterised by strong sales and marketing competencies, with the creation of strong brands in their markets.

Another common pattern emerging from these cases was the role played by strategic partnerships with a range of parties. They had also taken steps to build up their management teams with dedicated and competent people. All the firms relied strongly on leading customers and key suppliers to assist their business growth. The customers were a main source of enhancing their market access, as well as assisting with innovation and the testing of new products and ideas. Their suppliers assisted in the provision of technologies that allowed them to secure competitive advantage in the market. As these firms moved through their growth cycles they launched new products but focused primarily on targeting new markets with existing products and services.

Implications for research, policy and practice

This study provides insight into the process of managing entrepreneurial firms and the interplay between the elements proposed within the original conceptual model which sought to apply strategic management concepts and principles to the management of SMEs. The use of case study analysis assists in gaining understanding of the small firm in context and is

therefore a useful tool in the development of theory building (Tan et al, 2009). In terms of policy and practice, the study offers rich data on the dynamic nature of management within entrepreneurial SMEs. It highlights the crucial role of the entrepreneurial leader or leadership team, and provides valuable lessons for managers of such firms and those agencies seeking to support them. Finally, further research on managing growth in small entrepreneurial firms is recommended to examine these issues in depth to complement this small sample of case studies and to provide empirical evidence of practices in specific industries and other countries.

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