

**KROK UNIVERSITY**  
**Department of International Business**  
**Program Subject Area: Management**  
**Educational Program: Management (English)**

UDC 334.72:005.21

**BACHELOR'S THESIS**

**on the topic:**

**“STRATEGIC MANAGEMENT OF A SMALL ENTERPRISE IN THE UK”**

Bachelor's Degree Student:

Scientific Advisor:

Group MEH (АНГЛ)-19-іН

Ph.D. in Economic Sciences, Associate Professor

OLATUBOSUN EMMANUEL OMOLADE

PROF. OLENA BIELOVA

(Student's full name)

(Supervisor's full name)

**Preliminary Defense:** \_\_\_\_\_

(Resolution: "For defense in the state examination commission")

Head of Department:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(name, surname)

\_\_\_\_\_  
(date)

**Kyiv - 2023**

## DECLARATION OF HONOR

“I declare on my word of honor that I have written this paper on my own that I have not used any sources or resources other than stated and that I have marked those passages and/or ideas that were either verbally or textually extracted from sources. This also applies to drawings, sketches, graphic representations as well as to sources from the internet.

The paper has not been submitted in this or similar form for assessment at any other domestic or foreign post-secondary educational institution and has not been published elsewhere. The present paper complies with the version submitted electronically.”

Date: DD MM YYYY

Signature

## ACKNOWLEDGEMENT

I would like to thank the Almighty God for his sufficient grace and provisions during this project.

I would also like to thank the following people for their role in making this project possible:

Prof. Olena Bielova, my project supervisor for providing me with valuable advice and

guidance, which made this project a success. I feel greatly grateful to Mr. for his helpful comments and suggestions.

I would also like to thank my friends and for their encouragement and reassurance at various times during my course of study. Your encouragement is very much appreciated.

To each of the above, I extend my deepest gratitude.

INTRODUCTION.....	2
Chapter 1: Introduction of strategic management of a small enterprise in the Uk.....	9
1.1 Introduction of strategic management of a small enterprise in the Uk.....	9
1.2 Research background of strategic management of a small enterprise in the Uk.....	10
1.3 Research questions and objectives of strategic management of a small enterprise in the Uk.....	14
Segmentation differentiation strategy.....	15
Focus strategy of strategic management of a small enterprise in the Uk.....	16
Origins of Competitive Advantages in Small and Medium-sized Enterprises SMEs.....	17
1.4 Research Rational of strategic management of a small enterprise in the Uk.....	18
1.5 Research methodology of strategic management of a small enterprise in the Uk.....	19
1.6 Dissertation structure .....	20
Chapter 2: Literature Review.....	20
2.1 Introduction.....	20
2.2 Definition of SMEs.....	21
2.3 Theory of Small Firm Growth of strategic management of a small enterprise in the Uk.....	22
2.4 Growth Strategies for SMEs of strategic management of a small enterprise in the Uk.....	23
2.4.1. General Strategies Adopted by Porter.....	26
2.4.2.The Innovation Approach.....	27

2.4.3. Network and Cluster Strategy of strategic management of a small enterprise in the Uk.....	28
2.4.4. The Flexibility Strategy of strategic management of a small enterprise in the Uk.....	29
2.5 Competitive Advantage of strategic management of a small enterprise in the Uk.....	29
2.5.1. Definitions of Competitive Advantage of strategic management of a small enterprise in the Uk.....	30
2.5.2. Balanced Scored Card of strategic management of a small enterprise in the Uk.....	31
2.5.3. Porter’s Diamond.....	32
2.5.4. Change from Diamond to Clusters .....	33
2.5.5. Porter's Five Forces Analysis.....	34
2.6. The Relationship between SMEs strategy and growth .....	35
2.7. Business Expansion Obstacles.....	36
2.8 Recapitulation of the Chapter.....	37
Chapter 3: Research methodology of strategic management of a small enterprise in the Uk.....	38
3.1.Introduction.....	38
3.2. Research approach.....	39
3.2.1. Quantitative Research Approach: .....	39
3.2.2. Qualitative Research Approach: .....	40
3.2.3. Inductive & Deductive Research Approach: .....	41
3.3. Research design .....	42
3.3.1 Exploratory study of strategic management of a small enterprise in the Uk.....	42
3.3.2 Casual Research:.....	43
3.3.3 Descriptive Research: .....	43

3.4. Data Source and Sample.....	44
3.5 Data collection of strategic management of a small enterprise in the Uk.....	45
3.5.1 Primary data.....	45
3.5.2 Secondary data.....	46
3.6 Sample Selection.....	46
3.6 Questionnaire.....	47
3.7. Data Analysis Strategy of strategic management of a small enterprise in the Uk.....	48
3.8. Recapitulation of the Chapter.....	49
Chapter 4: Result and Discussion of strategic management of a small enterprise in the Uk.....	49
4.1 Empirical Findings and Data Analysis of strategic management of a small enterprise in the Uk.....	50
4.1.1 Number of Employees Employed by the Companies.....	50
4.1.2 Registration Year of Companies .....	52
4.1.3 Previous Yearly Revenue of the Companies.....	51
4.1.4 Businesses Growth of Strategies strategic management of a small enterprise in the Uk.....	53
4.1.5 Crucial Elements of SMEs' Business Success.....	56
4.1.6 Factors that distinguish a company's products/services from competitors.....	58
4.1.7 Delivering Value and Meeting Customer Expectations.....	58
4.1.8 Customer Value Provided by the Company of strategic management of a small enterprise in the Uk.....	59
4.1.9Capabilities and Resources for Providing a Distinctive Customer Value Proposition.....	60
4.1.10 Changes in Employee Numbers Over the Last Three Years.....	62
4.1.11 Utilizing Market Segmentation to Enhance Market Share.....	63

4.1.12 Allocation of Resources for Growth in Each Market Segment by Companies.....	64
4.1.13 Profitable Aspects in Companies.....	65
4.1.14 Change in Company Size in the Last Three Years.....	66
Discussion....	67
Summary.....	68
Conclusion.....	69
Overview of result and recommendation.....	71
Working hypothesis one (WH1) - SMEs strategy for fast growth.....	71
Working Hypothesis Two (WH2)- SMEs Sources of competitive advantages.....	78
The Validity of the Framework .....	79
Appendix 1: Questionnaire .....	87
Appendix 2: Top 100 SMEs in the UK 2014 listing by profit.....	90
References:.....	91

## **Abstract**

Academic and scientific study on business strategy has recently turned its focus from giant corporations to smaller businesses. Considering the substantial role that small and medium-sized firms (SMEs) play in the economies of most countries, this move is not only necessary but also justified. It is now necessary for small enterprises to implement strategic management practices. This requirement results from the significant obstacles that the market presents, the dynamic nature of the business environment, and other important elements of the current economic landscape, especially in transition economies where most businesses are small and medium-sized enterprises (SMEs), many of which are relatively new and inexperienced (Lobontiu & Lobontiu, 2001).

Though filled with opposing views, the extant literature on strategic management appears to be even more difficult to comprehend in the context of SMEs. The fact that SME and large business strategies seem to be going in opposite directions is a noteworthy and important divergence between them (MacGregor, 1999). Over the past two decades, the corporate sector has primarily concentrated on restructuring and downsizing, while SME policies primarily emphasize growth and development.

This study is a theoretical exploration to integrate and organize essential principles found in numerous papers and articles on strategic small business management. The difficulty is that this knowledge is distributed, making it difficult for both small business managers and university scholars to acquire a quick overview of the topic. This paper's author hopes to simplify the process by emphasizing the necessity of strategic management for small enterprises. Furthermore, the author shows that small firm managers are intensely concerned with strategic issues and that SMEs exhibit distinct competitive behavior with a strategic focus."

Small and medium-sized businesses (SMEs) are essential for providing job possibilities in several European countries. At the beginning of 2005, about 4.3 million organizations were in the UK. Most of these organizations were classified as small and medium-sized businesses, accounting for as much as 47% of employment in the UK's private sector. It is acknowledged that SMEs are essential to a country's economic expansion.

As things stand right now, these small businesses in the UK still need to take a strategic approach to compete in the changing economy and to build resilience and growth. For these smaller businesses, long-term success depends not only on immediate financial results and return on investment but also on how well they can create and execute winning strategies."

## **Chapter 1: Introduction**

### **1.1 Introduction**

Small firms are typically defined as those that employ less than 250 people and have a revenue of less than £50 million (Clarke and Klettner, 2010). A small business's management is responsible for making independent decisions and is not subject to outside control. They often contribute to most of the country's commerce and make significant contributions to it. Small business growth must consequently be supported for nations' long-term economic prosperity.

Small businesses appear to be becoming more important in the UK than in any other country. However, the percentage of growth in employment and GDP for small enterprises in the UK was substantially lower than in any other OECD country. Despite this, SMEs have made significant contributions to innovation, entrepreneurial culture, competition maintenance, and maintaining economic flexibility (Analoui and Karami, 2003).

The United Kingdom is a highly globalized country. However, in the case of small businesses, the country reverts to its globalization component, notably in the industrial sector. This may not be the case in the service sector of a company, such as travel, education, entertainment, consulting, and software.

The role of SMEs in developing the economy of the United Kingdom is critical. However, understanding the influence of managerial decision-making is critical to assisting firms in fulfilling their function in the economy. The discussion over small business strategy is heating up, and studies are being conducted to examine the impact of managerial decisions on firm performance (Mazzarol and Reboud, 2006). Promoting the long-term growth of small businesses is critical for long-term economic prosperity, both on a company-specific and national basis. Nonetheless, it has been discovered that many small businesses find it difficult to achieve significant corporate objectives, viewing them as either undesirable or impossible (GEM, 2005). The decision by the company's management to pursue ambitious ambitions or settle for a steady operation represents a strategic decision. This decision is heavily influenced by the owner-manager relationship and their respective attitudes (McMahon, 1998; Moran, 1998). These owner-manager relationships require entrepreneurial abilities in small businesses, such as the capacity to build a clear vision, pursue high goals, display managerial and technical competencies, and formulate competitive strategies (Baum, Locke, & Smith, 2001). External considerations such as financial availability also play an important effect in managerial decision-making (Barton & Matthews, 1989).

This study is devoted to developing a framework for analyzing strategic management elements within small enterprises, which include entrepreneurial initiatives and business trading entities. The suggested model will be developed using current literature and exploratory studies."

## **1.2 Research Background**

Since the 1950s, there has been a great deal of interest in strategic management, mainly in the context of major organizations. However, the literature on strategic

management in the context of small firms is noticeably scarce. The existing literature focuses mostly on the business planning methodologies used by these smaller entities rather than digging into the complexities of management processes and the development of strategic management in such enterprises (Mazzarol, 2004).

Entrepreneurial firms frequently prioritize solid business operations that ensure long-term economic stability above high-risk projects with aggressive goal achievement. Internal dynamics between the company's management and the owner frequently impact such decisions (Kpelai, 2013). However, in the case of firms with ambitious aims and a clear vision of high-risk strategies, the presence of entrepreneurial characteristics among managers and owners is critical (Baum et al, 2001).

Vozikis et al. (2013) conducted research to identify specific features that are common among small enterprises and their business strategies. These qualities contrast sharply with those frequently observed in larger corporations. Notably, the underlying goals of small and large organizations differ smaller enterprises frequently prioritize customer satisfaction and innovation, whilst larger corporations prioritize profits and sales targets.

The foundation of any organization's success is effective management. In smaller organizations, effective management is critical to meeting the organization's aims and objectives. The distinction in management practices in small and large businesses is seen in their decision-making processes and strategies (Morgan and Smit, 1996). Managers, it is said, primarily serve as leaders, necessitating good communication skills as well as the capacity to develop a strong organizational culture and structure (O'Regan and Ghobadian, 2002).

A company's performance is dependent on five core management skills: planning, staffing, organizing, managing, and directing. Businesses range in size from sole proprietorships to multinational corporations and public limited entities.

The structure of an organization has a considerable impact on managerial performance. Smaller organizations often use a flat management structure, which fosters a participatory environment while lowering operating expenses and improving communication across management levels (Moran, 1998).

Larger organizations, on the other hand, benefit from a more formal and hierarchical structure, such as a scalar chain. This formal structure is more effective in managing large organizations because it emphasizes clarity in work goals and assigns duties to members, ensuring that broad organizational objectives are met successfully.

Individual entrepreneurs place less emphasis on planning because of their limited engagement in the firm. In larger businesses, however, planning is the foundation of company operations. The planning function is typically taken up by the board of directors (Lehaney et al, 2011).

Leadership is essential to the survival and development of any firm. The leader oversees defining goals and solving problems. Furthermore, the manager or firm owner is responsible for inspiring personnel and influencing choices. Leadership is essential in both small and large enterprises since both require intelligence and guidance.

The rise of small businesses as growth catalysts in today's globalized and competitive industrial world is dependent on strategy and creativity. As a result,

strategic management has greater importance. Entrepreneurs must be rigorous in their strategic management practices to improve their businesses (Judge et al, 2009).

Entrepreneurship may be defined as the process of producing something new that adds value by devoting time and effort. It recognizes that financial, social, and political risks are required to get monetary and intrinsic rewards from such value creation (Mulford et al, 1988).

Understanding the relationship between strategic management and the level of economic development through small firms requires a close examination of Kosovo, one of the most recent countries to convert to a market economy. Small businesses in Kosovo are the key sources of employment creation and revenue-generating for the populace. A definite relationship exists between strategic management and global competitiveness in the strategy of Kosovo's small and medium companies (SMEs). According to the findings of Kutllovci et al. (2012), enterprises in Kosovo have produced long-term strategic plans, demonstrating a forward-thinking attitude in SME strategic planning.

An investigation of the impact of strategic management on small businesses in Lagos, Nigeria, indicated that it has a significant impact on both their profitability and market share. According to Dauda et al. (2010), managers and entrepreneurs must use strategic management tools to improve overall organizational performance. To effectively navigate the changing global economic landscape, small enterprises must adopt strategic management practices.

Growth-oriented businesses and strategic business practices were studied by Skrt and Antoncic (2004). Their research focuses on the tactics of these emerging enterprises and their impact on corporate performance. The study emphasized the

significance of entrepreneurs integrating vision, strategy, internalization, and a focus on profits and growth to develop effective business plans. Market orientation and a focus on competitiveness have been highlighted as growth accelerators in these organizations, and they have received extensive support. Cooper (1981) investigated factors influencing strategy implementation and formulation in small businesses. He discovered that small organizations use different strategic management strategies at different stages of growth due to their diverse resource positions, strengths, and leadership ambitions in comparison to larger corporations. Small businesses face a unique set of opportunities and restrictions, necessitating specific strategic management techniques.

According to Clifford et al. (1991), the developmental phases of small businesses can be segmented into five distinct levels. These levels entail a transition from one stage to the next, often leading to crises. Effectively managing a company during these crises hinges on the proactive approach of the management. A smooth transition during these periods of change requires a prior understanding of the root cause of the crisis. Managing these crises necessitates planning and strategic thinking. Each stage of growth—namely, growth through creativity, growth through knowledge, growth through delegation, growth through coordination, and growth through collaboration—has its unique crises, underlying causes, and specific strategic methodologies employed in crisis management.

### **1.3 Research questions and objectives**

Small business survival has become increasingly difficult in today's world of globalization and severe competition. Most small businesses operate in markets with near-perfect competition, with numerous enterprises selling identical products. Small firms serve as counterparts to larger corporations, attempting to attain

significant economies of scale. Nonetheless, with the right tactics, small and medium-sized firms (SMEs) can increase their revenue and competitiveness. Effective management and marketing abilities are critical in positioning an SME in a competitive setting. A corporation can manage the competitive business environment that defines its operations by selecting a suitable competitive strategy (Srinivas, 1995; Geiersbach, 2010).

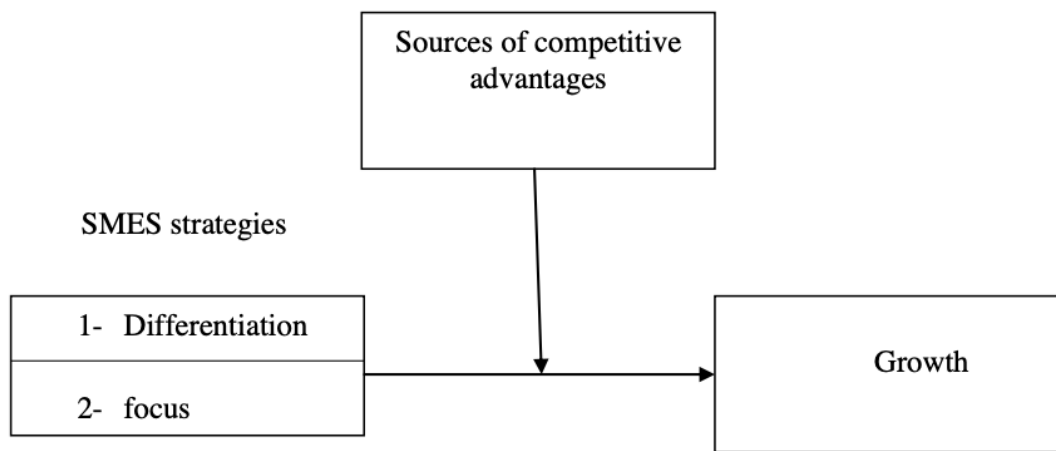


Figure 1.1: Conceptual model demonstrating the drivers of growth in SME strategy.

The conceptual framework model's development led to the formation of the following research questions for the study:

1. What effect does the relationship between business strategy and company growth in SMEs have on overall growth?
2. What are the main sources of competitive advantage in small businesses?

### Strategy of Segmenting and Differentiating

The strategy of segmentation differentiation stands as a valuable competitive approach for small and medium-sized enterprises (SMEs). Unlike differentiation in product development, segmentation differentiation focuses specifically on addressing a distinct market segment (Julien, 2003). This method involves studying the specific characteristics defining the existence of a particular market segment. For example, it involves an analysis of the general preferences and needs within a given market segment. Additionally, SMEs investigate the collective income levels within a market segment to ascertain the price and quality expectations of that specific segment.

This strategy differs from targeting a complete market in that it carries the danger of concentrating entirely on a single market (Uusitalo, 2014). However, there are significant benefits to focusing on a single market area. For example, SMEs are more likely to fully serve and satisfy the market. When customers are satisfied with a product or service, they are more likely to return, even if new competitors enter the market. To acquire a competitive advantage, SMEs use a variety of methods, one of which is segmentation differentiation. In this method, a company finds a specific market niche and tailors both production and marketing techniques to directly satisfy the needs of that market (Orsato, 2006).

According to reports, the differentiation strategy is the most widely used approach by SMEs (Hin, 2012). It shows that SMEs view distinctiveness and corporate growth strategies as critical to their survival and success.

## **Focus Strategy**

In 1980, Porter described the focus approach as focused on one or a few market categories. He recommended that businesses that use a focus strategy provide a differentiated product or service. A corporation can gain a competitive edge only if it has a clear emphasis on segments combined with a differentiated cost or differentiation strategy (Porter, 1980). Porter confirmed that a focused approach works when a company can differentiate itself from competitors through cost or differentiation. Adopting a focused approach has been shown to lower a company's competitive pressures (Kaplan and Norton, 2001). Furthermore, a concentrated strategy was shown to need less time and money than a mass-market strategy because it serves a specific section within a vast market (Hunjra, 2011).

### **Origins of Competitive Advantages in Small and Medium-sized Enterprises SMEs**

Small and medium-sized enterprises (SMEs) can use their resources to improve and sustain their competitive advantages in a competitive environment. SMEs, on the other hand, must examine the company environment through external analysis to discover opportunities and dangers, as well as internal analysis to find distinguishing competencies (Kraja and Osmani, 2013). Because they differ from rivals' resources and are difficult to mimic and substitute, resources are the fundamental component ensuring a firm's sustained competitiveness in the business environment (Zaridis, 2009).

Some businesses have tangible assets, while others have intangible assets, both of which can provide SMEs with a sustained competitive edge. It is relatively simple to identify resources that include technological, financial, and physical assets. As a result, examining a company's internal resources might help build competitive strategies (Barneys, 1991). Companies can improve their performance and

capabilities by leveraging competitive resources such as brands, human resources (HR), information technology (IT), innovations, computer reservation systems, niche marketing and advertising, and pricing strategies (Olsen et al., 2008). As a result, the selection of a successful company strategy is dependent on the available competitive resources (Tavitiyaman et al., 2012).

The developed hypothesis is as follows:

H2: The sources of competitive advantages have an impact on the growth performance of SMEs.

#### **1.4 Research Rationale**

The research rationale for this study is to evaluate and enhance a strategic management framework designed for small businesses. This entails investigating the techniques used by small businesses. The study seeks to identify the sources of competitive advantage in successful small enterprises and to examine the strategic management factors that contribute to their success.

The study's findings will result in a new framework outlining successful components of strategic management for Small and Medium-sized Enterprises (SMEs) to flourish and expand. Furthermore, this framework will investigate the most effective sources of competitive advantage within SMEs, hence reinforcing growth plans within these businesses. This framework can be used by new SMEs to support growth and retain competitiveness in a tough business context.

#### **1.5 Research Methodology**

This study's research technique is an exploratory analysis concentrating on rapidly growing small firms. Approximately 30 enterprises from the top 100 SMEs in the UK will be studied, as determined by profitability and displaying outstanding growth in turnover, sales, profitability, and market share. These businesses will be chosen at random.

The findings and conclusions of this study will be used to build a framework for analyzing the major determinants of success in small businesses and the structure of strategic management in entrepreneurial firms (Creswell, 2003). Based on the research questions, the analysis and findings will be based on a well-developed and thorough approach that will include both qualitative and quantitative data.

The chosen firms will be scrutinized to obtain insight and engage directly with their managerial and strategic approaches. This method is useful for assessing the business environment and making observations in the context of small business strategy. The factors discovered through this study will help to develop a framework for strategic analysis methodologies based on the findings of small businesses. This research will emphasize issues of strategic management in small enterprises based on existing literature (Kutllovci and Shala, 2013). It's important to note that the perspectives presented in this research, because of the analysis, may provide a framework for managers in small firms. However, these views may not universally apply and should not be considered as absolute rules. Misinterpretation could lead to serious consequences for companies and managers.

A significant difficulty in this study is data sourcing. The data is derived from a variety of secondary sources, which may or may not be reliable. As a result, there is uncertainty about the credibility of data gathered from these secondary sources. As a result, a quantitative analysis is required to quantify the elements influencing strategic management in small enterprises, allowing for more conclusive

conclusions that support the research questions. This needs a survey of the aspects impacting strategic decisions in small business management, supplemented with quantitative analysis, to establish a more reliable study framework. The following research will validate the constructs generated in this study. This study will use a primary research strategy, doing an in-depth investigation, to provide more valid and dependable information analysis. According to the Yorkshire Post (February 4, 2014), an electronic questionnaire will be circulated to the top 100 SMEs in the UK, to obtain responses from at least 30 enterprises. This questionnaire will be accompanied by a cover letter that will explain the goal of the study to the participants.

## **1.6 Dissertation Structure**

There are five chapters in the dissertation. The first chapter acts as an introduction, and the second chapter digs into the literature review, examining numerous ideas and models related to strategic management in SMEs. The third chapter will be on study methods, including information about data gathering methodologies, the sample, and the data analysis plan. The fourth chapter will focus on data analysis and the following conversations. The fifth and last chapter will be devoted to the dissertation's conclusion and summary.

## **Chapter 2: Literature Review**

### **2.1 Introduction**

Over the last three decades, the strategic management process has grown in importance for both small and medium-sized firms (SMEs) worldwide. Strategy

embodies an entrepreneurial spirit that directs the activities of a company. Since 1980, the number of small-sized enterprises in most developed economies has increased rapidly when compared to larger organizations (Levy, Powell, & Yetton, 2001). These SMEs provide a significant share of job prospects in European countries. At the start of 2005, the UK saw the formation of around 4.3 million organizations, the vast majority of which were SMEs, accounting for 47% of private sector employment in the UK (Graham & Kate, 2005). Small and medium-sized businesses are critical drivers of economic growth in any country. In the current environment, these UK-based small businesses must embrace strategic initiatives that will allow them to compete and grow in the emerging economy. Long-term success is dependent not only on current financial performance and return on investment, but also on the ability to devise strategies (Burgoyne, Hirsh, and Williams, 2004). Small and medium-sized businesses in the United Kingdom have had limited success due to shortcomings in strategic planning, ignoring external challenges connected to strategic implementation, and focusing on short-term business operations. According to the literature, the observed strategic management process in small UK enterprises is a different mechanism that is not like reduced activity as seen in larger professional management practices (Wang, Walker, and Redmond, 2007). This research also emphasizes that strategic management originates from an instinctive and informal approach in these tiny organizations, which is often characterized by short-term firefighting methods. Managers in these businesses recognize strategic management as a key business activity, whether undertaken explicitly and consciously or silently and subconsciously (Welbourne & Pardo-del-Val, 2009).

## **2.2 Definition of Small and Medium Enterprises (SMEs):**

There are numerous definitions of small and medium-sized businesses (SMEs), all of which indicate distinct areas of focus for these companies. According to the UK Company Act of 2006, small businesses have a total turnover of less than £6.5 million and a balance sheet total of less than £3.26 million (Barney, 2001). According to the Act, such small businesses typically employ roughly 50 people. Medium-sized businesses, on the other hand, have a turnover of less than £12.9 million and less than 250 employees (Massey, 2006).

SMEs, on the other hand, are defined by the British Bankers' Association (BBA) as limited businesses, sole traders, and partnerships with a total annual turnover of around £1 million (Lianu & Epure, 2009). According to these definitions, SMEs differ from larger organizations primarily in terms of staff base and annual sales (Bititci and Ates, 2009). Aside from these two aspects, however, other elements distinguish tiny enterprises from larger organizations, such as the strategic management methods they employ (Zorpas, 2010).

### **2.3 Theory of Small Firm Growth**

According to Yu (2001), the collective enterprises that exist within a single economy at a given time constitute the business stock. The literature on entrepreneurship and small companies addresses different elements impacting business growth and success within an economy. Several variables contribute to the success of small firms, the most important of which is the commitment shown by these organizations' executives to achieve expansion (Iskanius, 2009). Small business growth is significantly associated with fifteen entrepreneurial traits. Motivation, education, prior self-employment, management experience, unemployment-induced entrepreneurial push, family background, number of founders, years of training, prior business failures, prior experience in firm size and sector, gender, functional

skills, age, and social marginality are all examples of these characteristics. These elements are critical in the establishment of small firms as well as their future growth (Forcada, Casals, Roca, & Gangoellis, 2007). Furthermore, there are unique characteristics, behaviors, and talents associated with entrepreneurial persons that link small firms with entrepreneurship, such as the capacity to persuade others and a drive to pursue possibilities. However, in some cases, entrepreneurial competence may not be directly related to the success of small businesses. The emphasis should not be primarily on the founder's personality attributes, but rather on the founder's business capacity and conceptual capital accumulation. Certain critical factors form a hypothetical framework of development drivers and independent elements that contribute to an organization's success. These independent factors include an individual's desire to be their boss, a desire for growth and success, transferable personal capital, a risk-taking proclivity, and the necessary expertise to manage business growth (Yu, 2001). Many writers have presented models for small business performance and entrepreneurial growth, but growth requires an equitable combination of all these components. Small enterprises' success and growth are inextricably tied to their ability to adapt to developing external events rather than complying with rigidly defined stages (Massey, 2006).

## **2.4 Growth Strategies for SMEs**

The strategic management principles that apply to small and medium-sized organizations (SMEs) include globally recognized approaches that these businesses can use to give value to their consumers. These strategic management principles provide SMEs with the potential to carve out a distinct market position, allowing them to acquire new clients while also retaining existing ones through value delivery (Warren, 2008). As a result, SMEs can compete efficiently and effectively, following their organizational aims and objectives. Porter outlined six key strategic

management principles that, when applied to SMEs, can considerably boost their competitiveness by providing value to customers (Porter, 1985; Barney, 2001). The choices a company must make to carve out a niche for itself in its industry are outlined in Porter's generic strategies. These decisions are based on a differentiation or low-cost approach, as well as the size of the target market (Porter, 1985; Kraja and Osmani, 2013). To highlight a set of general strategies that allow an organization to get a competitive advantage in its industry, Porter created a matrix that consists of differentiation advantage, cost advantage, and a narrow or broad focus. Michael Porter devised these generic tactics since they are not industry-specific or firm-specific. Large enterprises are built on the cost leadership strategy (Hudson-Smith and Smith, 2007).

Porter (2001) delineates six fundamental principles in strategic management, encompassing the correct goal principle, distinct or unique value principle, trade principle, fit-together principle, and continuity principle. The correct goals principle offers small and medium enterprises an avenue to provide precise value to customers, thereby stimulating their willingness to pay an additional cost for a product or service. This enables SMEs to break even and generate profits because customers find the value proposition worth the cost.

Focusing on the unique value principle, SMEs set strategic goals to deliver distinctive benefits, setting themselves apart from industry competitors. The distinct value principle empowers SMEs to craft competitive strategies that differ from their industry counterparts, granting these enterprises a competitive edge (Warren, 2008).

The trade-off principle allows SMEs to sacrifice certain product or service features to establish differentiation from industry competitors. This strategic move enables SMEs to provide unique offerings that customers can easily distinguish. The fit-together principle involves SMEs integrating various organizational elements in a

manner that reinforces and complements one another. Lastly, continuity involves SMEs defining their unique propositions and ensuring the continual delivery of value to customers while reaping the benefits of offering such value (Roney, 2003).

Small and medium-sized firms (SMEs) can strategically manage their position in the context indicated above by employing a variety of tactics, including but not limited to creativity, innovation, designing flexible strategies, and networking. In SMEs, emphasizing creativity and innovation can considerably improve the efficiency and efficacy of innovation management. SMEs can strategically maneuver their positioning by including creativity and innovation in their strategic management strategy. Through these creative and innovative approaches, it becomes easier to identify the firm's core competencies, identify market opportunities, establish objectives, and key performance indicators (KPIs) for innovation outcomes, and simultaneously set ambitious growth targets within the firm to increase employee engagement (Julien and Ramangalahy, 2003).

Small and medium-sized firms' innovation strategies not only reap financial benefits but also provide various other advantages through their strategic approach. It helps to raise awareness about shifting trends that may have an impact on the organization, identifies competitor actions, assists in analyzing key capabilities and areas for improvement, and develops an innovative culture inside the system while encouraging team building (Julien & Ramangalahy, 2003).

Furthermore, a flexible strategy can help SMEs manage their positions strategically by outsourcing tasks and assigning a large amount of work to other organizations (Whittington, 2006). This methodology is frequently seen as a cost-effective method that allows the organization to undertake operations at a cheap cost. The flexibility strategy also enables businesses to develop a multi-skilled workforce capable of executing a variety of tasks concurrently. This method is beneficial because it allows

the company to use its staff more efficiently and effectively without wasting time (Seaward, 2012).

Many Small and Medium-sized Enterprises (SMEs) use networking and cluster tactics to improve their industry status. The use of a network strategy enables SMEs to achieve higher levels of productivity. This strategic method works as an analytical tool for small businesses, assisting their growth, technological adaptability, and total size increase (Cafferata and Mensi, 2000). The biggest problem that small businesses face is limited access to resources. They lack access to resources generally available to larger industry participants when operating independently (Warren, 2008). The cluster method solves this issue by utilizing economies of scale, allowing organizations access to resources that are typically out of reach for small-sized businesses. This entails acquiring technology and raw resources, creating a common pool of highly skilled labor, increasing production capacity, and sharing finance to enable worldwide operations. SMEs can pool distribution channels and marketing tactics through cluster strategies, increasing operational efficiency and building a culture of mutual learning. This collaborative approach allows SMEs to get a greater understanding of market dynamics and, as a result, optimize processes (Levy, 2004).

#### **2.4.1. General Strategies Adopted by Porter**

Porter's generic strategies explain the key decisions that a company must make to achieve a competitive position in its industry. These decisions are based on whether to pursue a differentiation approach or a low-cost strategy, as well as the market size to be targeted (Porter, 1980). According to Kraja and Osmani (2013), Porter developed a matrix that included differentiation advantage, cost advantage, and a targeted or broad approach to depict a set of basic methods that enable an

organization to gain a competitive advantage in the sector. Figure 2.1 depicts a representation of the generic strategy model (Source: Porter, 1980).

Figure 2.1: Sources of Competitive Advantage (Porter, 1980)



#### 2.4.2. The Innovation Approach

According to Julien and Ramangalahy (2003), a corporation adopts the innovation approach when its goal is to create a long-term presence in the industry. Targeting the market, optimizing earnings, properly understanding the business's core, and designing ways to endure market competition are the major parts of the innovation strategy, as illustrated in the diagram below.

Figure 2.2 Component of innovation strategy (Julien and Ramangalahy, 2023)



Small and medium-sized businesses develop innovation plans to improve the efficiency and effectiveness of their innovation management. All-important workers actively engage in the creation of these initiatives to ensure the incorporation of appropriate innovation tactics.

Strategy formulation involves identifying the core competencies of a firm and recognizing market opportunities. It includes developing targets, along with Key Performance Indicators (KPIs) to measure the outcomes of innovation. Simultaneously, it entails setting ambitious growth goals within the firm to enhance ownership in SMEs among the employee base (Porter and Stern, 2001).

The innovation strategy employed by SME firms not only yields financial benefits but also provides several other advantages through its strategic approach. This includes raising awareness about evolving trends that may impact the firm, understanding the actions of competitors, analyzing core competencies and deficiencies, and fostering an innovative culture within the system as well as promoting team building.

Presently, the innovation strategy adopted by SMEs is strongly supported by advanced technology, contributing to the sustainable growth of such firms (Prahalad and Hamel, 1990).

### **2.4.3. Networking and Cluster Strategy**

As per Cafferata and Mensi (2000), a significant portion of successful small and medium-sized enterprises in the industry embrace the networking and cluster strategy. This approach empowers these enterprises to attain elevated productivity levels. The analytical framework of the network and cluster strategy not only facilitates global outreach for smaller firms but also supports their expansion and provides flexibility in adopting diverse technologies. The primary constraint faced by small enterprises is the restricted access to resources. Operating independently, these firms encounter limitations in resource accessibility. The cluster technique relies on resources that are routinely used by larger industry units (Kishore et al., 2012). This strategy takes advantage of economies of scale, giving organizations access to resources that might otherwise be out of reach for smaller businesses. Acquiring technology and raw resources, building a shared pool of highly skilled labor, increasing production capacity, and pooling finance for worldwide operations are all part of this. In the case of SMEs, the cluster strategy entails sharing distribution channels and marketing tactics, encouraging process improvement, and promoting reciprocal learning to gain market expertise (Porter, 1990). Networking among SMEs is a common strategy that provides enterprises with a competitive advantage, while the cluster approach corresponds with gaining sector specialization.

### **2.4.4. The Adaptability Strategy**

According to Whittington (2006), the flexibility strategy is a technique that allows organizations to achieve both role and operational flexibility. Small and medium-sized firms (SMEs) who use the flexibility approach take the initiative to depart from the standard model of hiring full-time employees. Instead, they divide the workforce into two basic divisions: a core group and several peripheral groups. This method may also include outsourcing activities, a practice used by certain SMEs to contract a major percentage of work to outside enterprises (Jones and Tilley 2003). This methodology is frequently regarded as a cost-effective method, allowing the company to carry out operations at the lowest potential cost.

The technique also enables businesses to provide their staff with a diversified skill set, allowing them to execute a variety of tasks at the same time. This proves to be an effective strategy, keeping the firm from losing time and guaranteeing that the personnel is properly skilled to manage a wide range of rules (Halberg, 2000).

## **2.5 Competitive Advantage**

### **2.5.1. Competitive Advantage Definitions**

The term "competitive advantage" refers to a firm's use of distinct tactics for creating value that cannot be copied by other industry participants. Competitive advantage is described as an organization's ability to carry out operations in ways that competitors cannot simply replicate (Barney and Zajac, 2001). It provides as the framework for organizations to develop unique strategies, giving them a competitive advantage in the market. Competitive advantage is a goal of a firm's strategies (Lianu & Epure, 2009). When compared to other participants in the business, an organization is considered to have a competitive edge (Barney and Zajac, 2001). The SWOT analysis framework, which includes strengths, weaknesses, opportunities, and threats, is used to evaluate a firm's competitive edge. Competitive advantage

consists of factors that are critical to a company's success. The two most important criteria for achieving a competitive advantage are differentiation and cost leadership. A corporation with competencies superior to other market participants might establish a strong market position (Kheni, Gibb, & Dainty, 2010).

### **2.5.2. Balanced Score Card**

The Balanced Scorecard is a critical strategic management and planning tool that is widely used in business (Hudson and Smith, 2007). This strategic tool's primary goal is to connect business activities with the organization's vision and goals, improve internal and external communication, and track organizational performance concerning its objectives (Lianu & Epure, 2009). It examines organizational performance from four perspectives: financial, growth and learning, customer, and business process (Hudson and Smith, 2007). The learning and growth perspective evaluates the firm's knowledge and innovation capabilities, the financial perspective evaluates financial performance, the customer perspective assesses satisfaction levels, and the business perspective evaluates the firm's efficiency (Kraja and Osmani, 2013). Figure 2.3 shows a visual illustration of this strategic management tool.

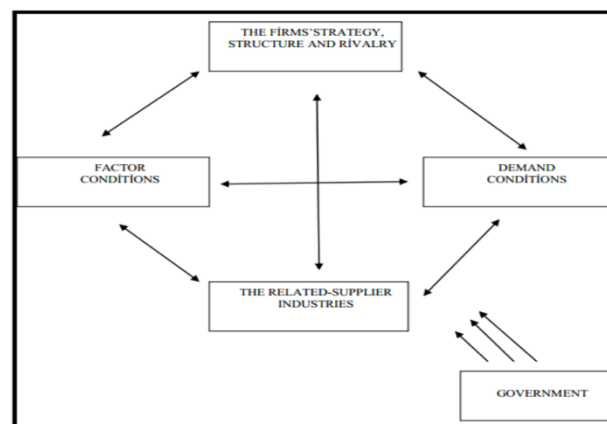
Figure 2.3: Strategic Management Tools (Hudson and Smith, 2007)



### 2.5.3. Porter's Diamond.

Porter's Diamond Model lays the groundwork for developing a framework that governs industry competitive norms. As Vries and Margaret (2003) emphasize, this approach is critical in steering the operations of small and medium-sized businesses toward achieving a sustainable competitive advantage. Figure 2.4 depicts an illustration of the Porter's Diamond Model:

Figure 2.4: Porter's Diamond Model (Porter, 1990, Vries and Margaret, 2003)



The diamond model considers four essential factors: demand conditions, factor conditions, firm structure, competitiveness and strategy, and the presence of

supporting and linked industries (Hudson-Smith and Smith, 2007). This system, however, involves two extra factors: government and luck. The model defines factor conditions as infrastructure and production facilities, including staff and knowledge, that contribute to competition in a certain industrial sector (Cafferata and Mensi, 2000).

Demand circumstances are determined by consumer market demand in the region in which a company operates. These factors have an impact on the direction and pace of product development and innovation (Whittington, 2006). The third dimension of Porter's model entails related and supplier industries, which are inextricably tied to the allocation of activities in the firm's value chain with the same goal of achieving market competitiveness. A company's strategy, rivalry, and structure all have a substantial impact on its performance (Vries and Margaret, 2003).

These factors jointly affect a sector's competitiveness while also presenting prospects for the future through the acquisition of competitive advantage.

#### **2.5.4 Change from Diamond to Clusters**

The diamond model specifies four characteristics for a company to be competitive. This method, however, has diminished in the contemporary situation, according to Cafferata and Mensi (2000). More small and medium-sized businesses are adopting the cluster model in their company operations. The cluster strategy has grown in popularity over the last few decades, with a growing number of businesses recognizing the benefits of collaborative business operations over focusing on individual circumstances (Entrialgo, Fernandez, and Vazquez, 2000). SMEs have switched towards a clustered strategy since it provides economies of

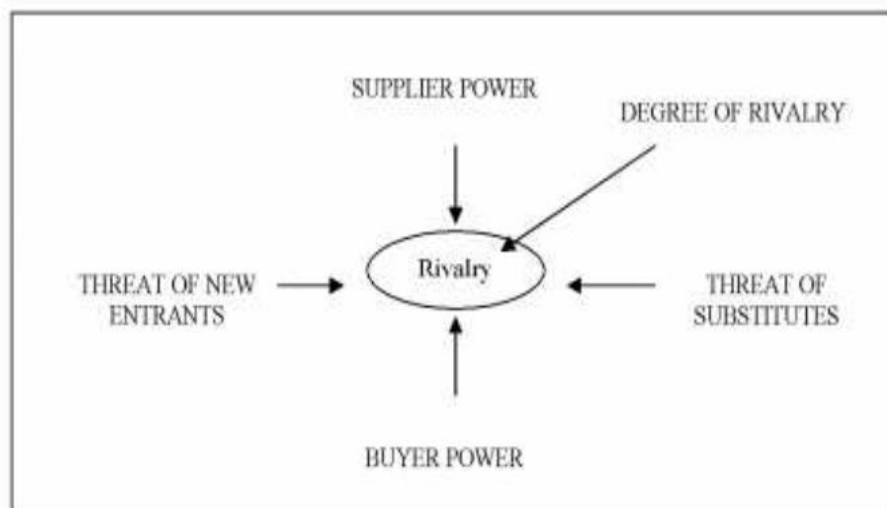
scale, an advantage that is not as easily attained with the diamond model as a strategic tool (Porter, 1990).

The diamond model's conditions are currently organized in a clustered manner, emphasizing increasing business networking (Cafferata and Mensi, 2000).

### 2.5.5 Porter's Five Forces Analysis

According to Porter's Five Forces Model, five fundamental forces impact industrial competitiveness. These forces include supplier and client negotiating power, industry rivalry, the threat of substitutes, and the possible entry of new competitors into the sector. Figure 2.5 depicts a graphic representation of the Porter's Five Forces Model:

Figure 2.5: Porter's Five Forces Model (Porter, 1990)



According to Kraja and Osmani (2013), buyer's power denotes the impact that customers have on the industry. Maintaining a balance of power between the client and the producer is critical since it defines the extent to which an organization can

dictate pricing. The model's supplier power argues that when suppliers wield strong influence, they frequently control producers, allowing them to capture a higher part of the profit. The rivalry factor is largely concerned with the numerous techniques used by businesses to acquire a competitive advantage in the sector. Differentiation and cost leadership tactics are common techniques used to increase competition within a sector (Porter, 1990).

Barriers to entry are features that impede business operations and make it difficult for enterprises to enter a market (Kraja and Osmani, 2013). These hurdles are often caused by economies of scale, patented knowledge, and government laws, rising industry rivalry levels. The threat of substitutes is the final feature in this model, demonstrating that when lower-priced substitutes are accessible in the market, demand for products from small and medium-sized enterprises is strongly influenced.

## **2.6 The Relationship Between SME Strategy and Growth.**

Improving employability contributes to an improvement in the general population's purchasing power. Strategic planning is critical for small and medium-sized businesses (SMEs). Even if some organizations do not officially have a formal business plan, systematic decision-making is prioritized to ensure corporate survival and growth. For the firm's overall benefit and growth, these entities must be aware of strategic planning programs, procedures, and methodologies, as proposed by Islam, Keawchana, and Yusuf (2011). Profit, market considerations, and strategic planning are all important aspects of an organization's growth trajectory. SMEs highlight the importance of strategic planning in reaching a profitable margin by playing a critical role in training skilled labor and creating

jobs. The success of small businesses is inextricably linked to the effectiveness of their strategic planning initiatives.

For SMEs, the financial component is not the only priority; growth is equally important. Some small-scale industries require financial support to expand their operations smoothly.

Strategic planning is a critical organizational aspect for small businesses to grow. While research is frequently undertaken for larger organizations, small-scale industries serve as the nation's backbone, greatly contributing to high employability. Organic growth or leveraging factors are business growth techniques that rely on in-house competencies and the product or service line. Inorganic growth is the assimilation of items and revenues from other companies. As a result, the relationship between SMEs and growth is inextricably linked.

## **2.7. Business Expansion Obstacles.**

According to Cohen and Levinthal (2000), the biggest hurdles to expansion frequently revolve around a firm's financial soundness. Contrary to certain research findings, these barriers are not only due to financial situations or a drop in sales rates; rather, they are anchored in corporate operations. The industry's increasing rivalry provides a tremendous challenge to small and medium-sized firms (SMEs) attempting to prosper (Cohen and Levinthal, 2000). The underlying dangers identified by these SMEs are difficult to manage, and complete removal from the system is frequently impossible. Another key element, according to Entrialgo, Fernandez, and Vazquez (2000), is entrepreneurs' lack of confidence. This lack of confidence prevents SMEs from exploring new prospects. Financial constraints emerge as limited money availability or reduced profit margins, encouraging corporations to cut investments in other business operations.

Entrialgo, Fernandez, and Vazquez (2000) define operational risk as any operational failure that may hamper business operations, limiting the firm's performance in the marketplace.

Potential government budgetary concerns pose a significant barrier to continuing corporate growth (Hudson-Smith and Smith, 2007).

## **2.8: Recapitulation of the Chapter**

The strategic management landscape for small enterprises in the United Kingdom is undergoing considerable modifications, mostly because of increased competition and strong pressure from larger organizations. Many SMEs are inclined to embrace proactive methods, such as corporate expansion and differentiation, to effectively traverse this competitive climate, while a minority opt for defensive or stability strategies. The literature analysis outlines many strategic management approaches that enable organizations to resist competition and create and retain a strong industry position. The expansion of small businesses in the UK market has been rapid in recent years. This increase is accompanied by an increase in the number of entrepreneurs offering novel ideas. Despite operating on a smaller scale, these businesses account for a significant share of the economy and play an important role as economic drivers. However, there is still plenty of room for these companies to improve their strategic management practices, eliminating roadblocks to corporate expansion.

## **Chapter 3: Research Methodology.**

### **3.1. Introduction.**

This chapter examines and evaluates the strategic management practices of small businesses in the United Kingdom. The fundamental goal of this research is to examine and comprehend the literature on small business strategic administration. This includes everything from the business planning methodologies used by these organizations to their management processes. To achieve this goal, the study will investigate two key questions:

- What factors influence small businesses' comparative advantage?
- How much influence does strategic management have on small businesses?

The study is divided into two parts: theoretical and empirical. This section describes the research methodology chosen, including whether a qualitative or quantitative approach would be used. The qualitative technique is based on a solid theoretical framework and includes a thorough literature analysis to delve into the research topic. The theoretical phase is concerned with developing a typology and evaluating the prevalent approaches and processes used by small businesses. The derived typology aids in encapsulating the data and conclusions drawn from previous studies on similar issues, considerably assisting in the formation of logical conclusions.

The quantitative method, on the other hand, is based on empirical data and involves the acquisition of primary data through surveys. This includes using semi-structured surveys tailored for UK SMEs' managers.

The efficacy of a research technique is determined by its philosophical roots, which include the approaches adopted, the adequacy of research methodologies used, and the precision of results with the required knowledge for the study. As a result, critical assumptions are critical in both performing the research and achieving a meaningful evaluation of the acquired data. This chapter delves into the philosophical underpinnings, design techniques, research approaches, and strategies used in this study. It also digs into the research instruments, data collection methodologies, and analytical approaches used in the study.

### **3.2. Research Approach.**

The research methodology includes extensive plans and processes that explain the general assumptions behind the research issue, ranging from overarching notions to the specific methodologies used for data collection, analysis, and interpretation (Crewel, 2013). Various research approaches will be presented first in this study, followed by the clarification of research design and methodology. Following that, the talk will go over data and sample sources, data gathering methods, and data analysis.

#### **3.2.1. Quantitative Research Approach:**

Quantitative research is a method that allows researchers to put hypotheses to the test while studying the correlations between multiple variables. These variables are measured using a variety of analytical procedures and tools, yielding numerical or statistical data that allows for simple interpretation and a more robust understanding of the observed occurrences. Using this strategy assists researchers in arranging the acquired data into a prepared report that spans chapters ranging from an introduction to theoretical and empirical frameworks, a literature review,

data collection methods, and the instruments used for analysis, interpretation, and discussion. The quantitative research approach, like the qualitative research approach, validates the accuracy of ideas, assumptions, and hypotheses deductively. Furthermore, it reduces researcher bias, promoting objective interpretation and analysis of the collected data.

### **3.2.2. Quantitative Research Approach:**

The qualitative research methodology adopts a realistic strategy, focused on examining and comprehending the study's setting in the real world. It entails investigating variables in their natural context without affecting the study's principal topic or essential factors (Creswell, 2013). This strategy allows for effective research approaches for investigating, observing, and gathering critical information while assuring proper analysis (Denzin and Lincoln, 2000). Through case studies, researchers can uncover and emphasize crucial concerns linked to the researched phenomenon using the qualitative research approach (Fischer, 2005).

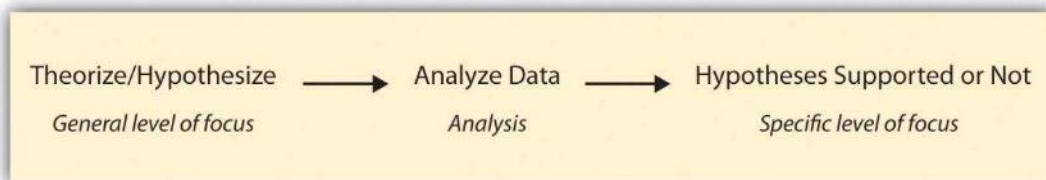
The study attempts to improve understanding of the Strategic Management requirements of Small Firms in the United Kingdom for growth. To acquire detailed information and characterize the situations involved in the process, a qualitative research approach was used. Furthermore, the quantitative research approach was used to quantitatively quantify specific variables and examine their impacts on SMEs' strategic management. As a result, the study employs both qualitative and quantitative research methods.

### **3.2.3. Inductive & Deductive Research Approach:**

The research approach can be divided into two categories: inductive and deductive. The inductive approach entails the creation of theories based on the study of

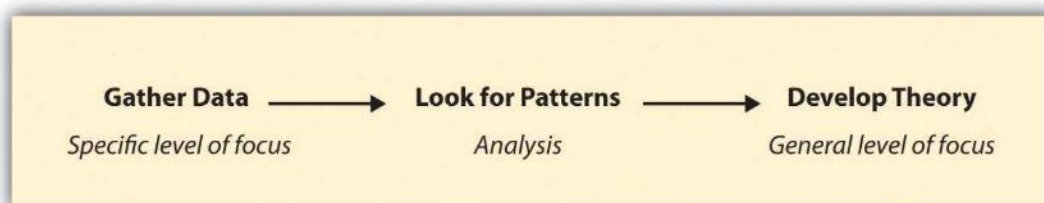
obtained evidence. The deductive approach, on the other hand, concentrates on presenting new ideas and theories based on acquired data, with an emphasis on evaluating research hypotheses (Saunders, Lewis, and Thornhill, 2007; Hesse-Biber & Leavy, 2004).

Figure 3.1: Deductive Research



The interpretivism philosophy is aligned with the inductive research approach, which involves considering various factors or variables such as emotions, actions, or intentions observed among participants during the study (Arbnor & Bjerke, 1997). The deductive research approach, on the other hand, is founded on positivist philosophy and focuses on the application of scientific or physical principles to data analysis. The inductive approach is especially useful for exploring novel or developing concerns that necessitate an in-depth examination of phenomena that have not previously been thoroughly investigated (Creswell, 2011). In contrast, the deductive technique is extremely effective for studying previously explored issues, as it draws on a plethora of literature and hypotheses generated in earlier research. The deductive research method is based on discussions from the literature study, the theoretical framework, and observations generated from current theories.

Figure 3.1: Inductive Research



The deductive research approach is used in this study to properly analyze acquired data within a solid theoretical framework. This strategy makes it easier for researchers to conduct surveys while limiting the dangers associated with restricted data collection time.

### **3.3. Research design**

The Research studies can be classified according to their nature, goal, and research challenge. Exploratory research, causal research, descriptive studies, explanatory research, interpretative research, and other types fall into this category. The research kind, study objectives, target audience, past research on similar themes, the length and scope of the research challenge, and the availability of current information all influence the choice of an effective research design. As Yin (2009) emphasizes, these factors must be explicitly specified.

Exploratory research for unclear problems, descriptive research for issues known to the audience, and exploratory research for well-defined problems are all sorts of academic research (Yin, 2009). Given the complexities of research, this study employs a combination of these approaches to improve the validity and quality of the data collected, processed, and analyzed, as indicated by Saunders et al. (2007).

#### **3.3.1 Exploratory Study:**

An exploratory research study's major goal is to gain insights into the research issue and produce suggestions based on the observations made. This research approach is especially useful for decomposing complicated problem statements or research questions into more manageable sub-problem statements in the form of research hypotheses. Furthermore, it is particularly successful in analyzing and

investigating opposing ideas and findings found in historical studies' literature reviews. It also excels at accurately comprehending and applying the meanings behind obtained data (Churchill and Iacobucci, 2009).

### **3.3.2 Causal Research:**

This study method is intended to assist researchers in determining the effect and influence of one variable on another. To accomplish this goal, the approach entails a thorough examination of two types of variables: the dependent variable and the independent variable. The research design, on the other hand, guarantees that the study extends beyond noticing the association between variables; it includes a critical and comprehensive investigation of all factors pertinent to the research issue. This method enables researchers to see the impact and influence of all factors on one another, allowing for a full investigation of the given phenomenon. In this sort of research, the hypotheses are directional, focused on analyzing the cause-and-effect relationship between the two variables, namely the dependent and independent variables (Zikmund and Babin, 2012).

### **3.3.3 Descriptive Research**

Descriptive research design is very useful for gathering the necessary information for hypothesizing and assisting researchers in forming logical conclusions regarding potential links or relationships. The fundamental goal of this research strategy is to vividly depict and characterize the qualities of the target subjects, which include individuals, events, and circumstances. This methodology is extremely useful for investigating research topics, validating hypotheses, and identifying the reasons and factors underlying a certain occurrence under investigation (Zikmund & Babin, 2012).

Experiments, case studies, surveys, and archive analysis are the five most common research methodologies (Yin, 2003), each with its own set of pros and limitations. There are additional differences in data gathering and analysis methodologies, which Yin (2003) categorizes as three conditions:

The character and scope of research inquiries.

The degree to which a researcher influences actual behavioral events.

The emphasis is on current and historical events.

A survey is the most appropriate technique for this inquiry. This option is consistent with the core goal of determining how strategic management affects the growth of SMEs and identifying sources of comparative advantage among these enterprises. A survey method is ideal for gathering and analyzing relevant data.

### **3.4. Data Source and Sample**

The effectiveness of a data-gathering method is critical to the success of a study, making it critical to select the suitable methodology. The method used to collect data determines how it is obtained, with interviews, surveys, documentation, observations, standardized tests, and archive records being common ways. Sekaran (1992) divides data into two categories: primary and secondary. We collected primary data for our study using a survey questionnaire.

On February 4, 2014, we performed a questionnaire poll of the top 100 SMEs in the UK based on profitability, as judged by the Yorkshire Post. Respondents submitted their responses via the Monkey Survey website. The information gathered enabled us to monitor, comprehend, and analyze the strategic management procedures used by these

companies. These techniques have not only enabled expansion but have also functioned as sources of competitive advantage. Our study helped us better comprehend the real implementations of SME growth strategy ideas.

### **3.5 Data Collection**

#### **3.5.1 Primary Data:**

Primary data is information gathered by a researcher solely for the study. This information is unique to the study, original, and unconnected to earlier research. Primary data can be acquired via methods such as interviews, surveys, and questionnaires since it entails acquiring fresh and original data directly related to the research study's major concerns or difficulties (Crowther & Lancaster, 2009). Primary data is extremely significant and beneficial in a variety of ways.

#### **Advantages of primary data:**

1. The unique and study-specific character of the data collected results in exceptional accuracy and validity.
2. Surveys, interviews, and questionnaires, for example, provide a varied range of devices for acquiring critical information.
3. Face-to-face interviews or online surveys improve accuracy on a bigger scale.
4. Primary data provides a true and relevant viewpoint on the present topic.

#### **3.5.2 Secondary data:**

Secondary data includes exploratory case studies and historical research collected from previous investigations. This information can be obtained from a variety of sources,

including online journals, books, government portals, and related websites, and it has several advantages:

1. Data acquisition at a lower cost: Secondary sources are less expensive and faster than main data collection methods.
2. Allows for greater access to critical worldwide data: The availability of secondary data online allows researchers to have global access to a variety of information, assuring accuracy in interpretation and analysis.
3. The data collection procedure saves time, effort, and investment.

### **3.6 Sample Selection**

Sampling entails carefully selecting enough components from the population. According to Sekaran (1992), by evaluating and comprehending the traits or characteristics of these sample people, researchers can establish generalizations about the full community. A sample is a scaled-down representation of the entire population, and researchers can use a variety of sampling strategies to accomplish this. Sampling strategies allow researchers to collect data from a subset or subgroup of the population rather than the complete population. Using a sample to learn about a population simplifies the data collection process for the study's aims. The approach of probability sampling was chosen for this study.

This method involves selecting study participants at random, guaranteeing that every member of the study population has an equal chance of being included in the sample.

The survey data selection criteria considered elements such as:

1. Identifying SMEs who correspond to previously supplied definitions.

2. Choosing UK SMEs based on whether they are the fastest growing or most lucrative.

### **3.6. Questionnaire**

A questionnaire is a series of carefully constructed questions designed to elicit specific information from the intended audience, to apply the acquired data to a larger population. It often comprises a form with a series of questions, either descriptive or otherwise, asking respondents to provide replies in person or via online platforms as appropriate. These surveys are delivered to the target audience based on the population sample chosen, and the gathered responses are interpreted and analyzed.

A questionnaire's primary objective is to collect statistically valuable information through a series of questions. Effective questionnaire design is critical for assuring data validity and dependability, as well as allowing researchers to apply the collected data and assertions to a larger population (McBurney & White, 2009). The inclusion of improper questions or inadequate questionnaire design undermines the goal of the questionnaire and renders the obtained information useless. As a result, it is critical to ensure that the questionnaire is suitably and successfully structured, limiting risks, and overcoming problems that respondents are likely to confront. The efficacy of a questionnaire is heavily dependent on how questions are framed and presented. Researchers must ensure that the questions are structured to collect relevant data, allow for comparison and analysis, reduce researcher bias, and are diverse without being repetitive (Gillham, 2008; Beiske, 2003).

Open-ended questions, closed questions, and Likert scales are the three most popular types of questions used in questionnaires or surveys. Open-ended questions encourage respondents to react based on their understanding rather than fixed choices. An open-ended inquiry can be, "What distinguishes your services or products from those of

competitors?" Participants in closed surveys choose answers from a predetermined selection, such as "What was your company's annual turnover last year?" (a) less than £2 million, (b) between £2 and £5 million, (c) between £5 and £10 million, and (d) greater than £10 million." Unlike open-ended and closed questionnaires, Likert scales ask respondents to select responses on a scale. "Did your company's size change in the last three years?" (1) Increase (2) Reduce (3) Maintain."

We used all three types of questions stated above in our survey, delivering both qualitative and quantitative data. During the question-building process, the emphasis was on acquiring data linked to the core theme of our research.

### **3.7. Data Analysis Strategy**

Data reduction is required to ensure a thorough and accurate study of the data. A standardized questionnaire (refer to Appendix 2) was developed for the top 100 profitable SMEs in the UK. Data reduction entails extracting relevant information for analysis, with a focus on 30 SMEs from a total population of 100. Key findings are also quickly summarized and presented using statistical graphs such as bar charts, flow charts, histograms, and tables to create a thorough visual representation. Data addressing the literal parts of the study are specifically categorized and displayed using direct quotes from the surveys, with a selection process favoring unique quotes with clear responses under each category. The results are tightly related to the theoretical underpinning, incorporating insights from prior studies as well as our study discoveries. In essence, a rigorous point-by-point study is conducted to provide readers with a clear debate, to draw accurate conclusions based on both theoretical principles and practical findings.

### **3.8. Recapitulation of the Chapter**

This chapter provides a clear and complete summary of the study's research methods. It includes the purpose and important objectives that guide the choice of research method, research design, and philosophical foundations. The study takes an exploratory approach, delving into case studies to debate and interpret, with the primary goal of establishing and assessing causal linkages and interactions among significant factors. A detailed review of the research design, methodology, and methodologies improves understanding of the rationale for their selection and relevance to the study. Given the importance of research design in determining result accuracy, careful attention is made to rationally arranging the study to ensure its coherence.

## **Chapter 4: Result and Discussion**

The study's findings are synthesized in this chapter, which includes questionnaire responses from study participants. Following the collection of samples from participants, a total of 30 questionnaires were used. Before distribution, the questionnaires were prepared and validated, confirming the importance of the respondents' input in answering the study's core inquiries. Using a random selection process ensured an unbiased and equitable chance of analyzing any questionnaire, assisting in the development of evidence-based conclusions.

### **4.1 Empirical Findings and Data Analysis**

#### **4.1.1 Number of Employees in the Companies**

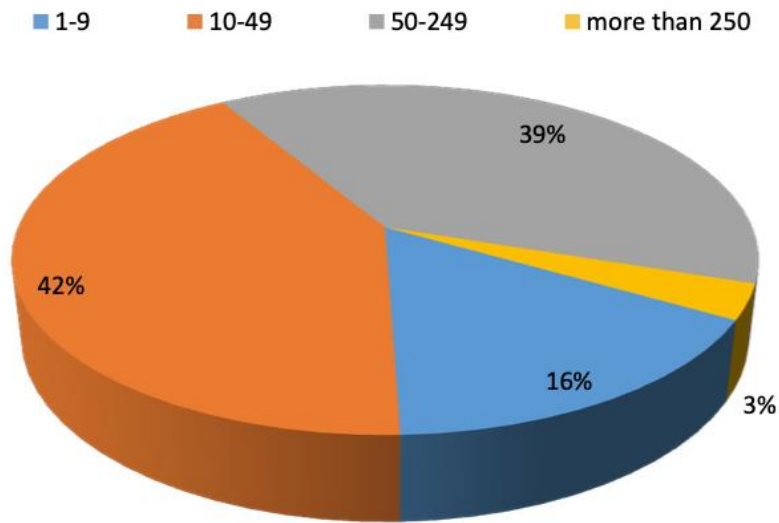
The managers of the thirty firms that made up the study's sample were asked questions concerning their workforces. One to nine people were employed by their organizations, according to about sixteen percent of managers, which suggests that they were rather

tiny businesses. It's interesting to note that the managers observed that there wasn't always a straight correlation between the number of workers in these organizations and profitability; roughly 42% of respondents said their companies employed between 10 and 49 people. These businesses were thought to operate more demanding, although their growth rate did not significantly outpace that of businesses employing less than ten people. Furthermore, according to 39% of respondents, their companies employed between 50 and 249 people, which led them to be classified as large businesses with significant profit margins. However, because of both internal and external factors that affect business performance, their growth rates may be lower than those of organizations with fewer personnel.

A small percentage, or about 3% of those surveyed, stated that their organizations employed 250 people on average or more. According to the UK's definition of SMEs, which was included in the literature study, these types of organizations are defined as having fewer than 250 people. As a result, surveys from companies employing more than 249 people were deemed ineligible, translating to roughly 1 responder. Since these businesses do not fit the definition of an SME, including their responses in the analysis would result in incorrect conclusions.

The comments that respondents had regarding the hiring practices of the companies and how that affected organizational effectiveness are shown in the chart. It is a useful tool for determining if an organization's overall success is influenced by the quantity of personnel it hires. Concluding the relationship between the number of employees and the expansion and growth of the businesses is also made easier by the replies that have been gathered.

Figure 4.1: Number Of Employees In The Studied Smes



**table 4.1: Number of employees in the studied SMEs**

Answer Options	Response Percent	Response Count
1-9	16%	5
10-49	42%	13
50-249	39%	12
more than 250	3%	1
<i>answered question</i>		<b>31</b>

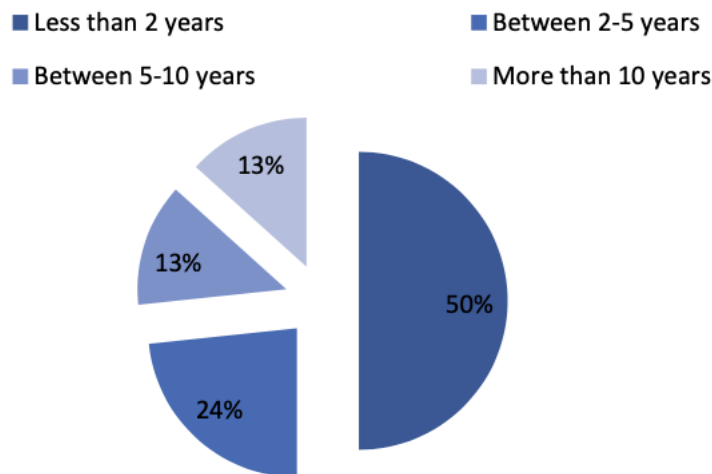
This question was answered by respondents from all 30 of the selected samples, demonstrating managers' awareness of the critical relationship between staff size and company productivity. Productivity in small and medium-sized businesses (SMEs) is measured by the profits made over a given time frame, like a year. Even though some of the questionnaires had to be rejected, the remaining samples were important in helping to arrive at thorough and definitive answers to the study questions.

#### 4.1.2 Registration Year of Companies.

Every respondent shared their thoughts on the year that their companies registered, which is an important question to ask when evaluating the development of an organization over a given period. Fifteen businesses, or about 50.0% of the corporations, disclosed having registered during the previous two years. Even though these

organizations are very new, they provide important statistics since their growth rates may be gauged by the earnings, they made in their first years of operation. Their brief tenure in the field does not lessen the value of their contributions because analyses of their sources and perceptions of competitive advantages are still relevant.

Figure 4.2: Years of Studied SMEs Registration.



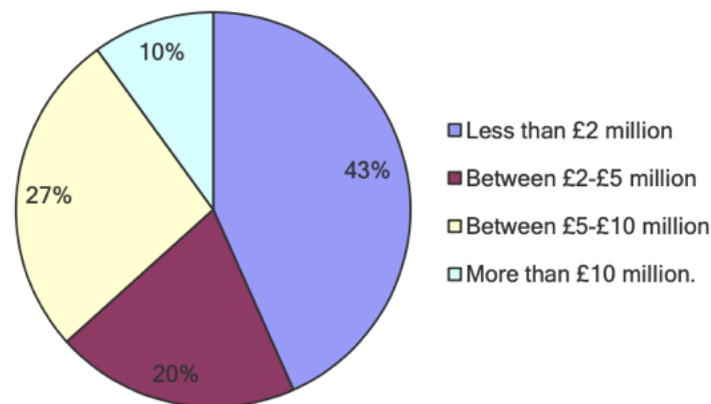
Four companies, or around 13.3% of the total, were registered five to ten years after the study's inception. Additionally, a comparable proportion of respondents confirmed that their businesses had been registered for more than ten years, demonstrating their ongoing presence in the market, and implying a wealth of expertise in overcoming obstacles presented by larger non-SME competitors. Because the operational and decision-making techniques put forth by these seasoned managers had proven successful over time, their comments held a great deal of weight in the study.

However, it is important to remember that comments from more recent businesses shouldn't be discounted because there are times when up-and-coming SMEs do better than their more established competitors in a short amount of time. Every participant offered feedback for this investigation, which helped to produce a well-informed and fact-based conclusion. Based on the information gathered from the study's questionnaire, the replies enabled an investigation of the connection between business strategies and SME growth, leading to a definitive comprehension of how these strategies either improved or impacted organizational development.

### 4.1.3 Previous Yearly Revenue of the Companies

Determining the participating organizations' designation as SMEs required providing information on their annual turnover from the previous year. It also made it easier to evaluate how quickly some companies were growing depending on how much money they turned over each year. According to the survey, thirteen participant organizations, or 43.3% of them, had an annual turnover of about £2 million or less. Twenty percent of participants reported having turnovers between £2 million and £5 million, and eight organizations, or around 26.7% of respondents, reported having turnovers between £5 million and £10 million. Furthermore, ten percent of the managers who took part in the survey attested to the fact that their companies had a turnover of more than £10 million the year prior. The inclusion of all participating companies in the small firm category (defined as those with revenue below £50 million) is indicative of their dependability when it comes to financial turnover.

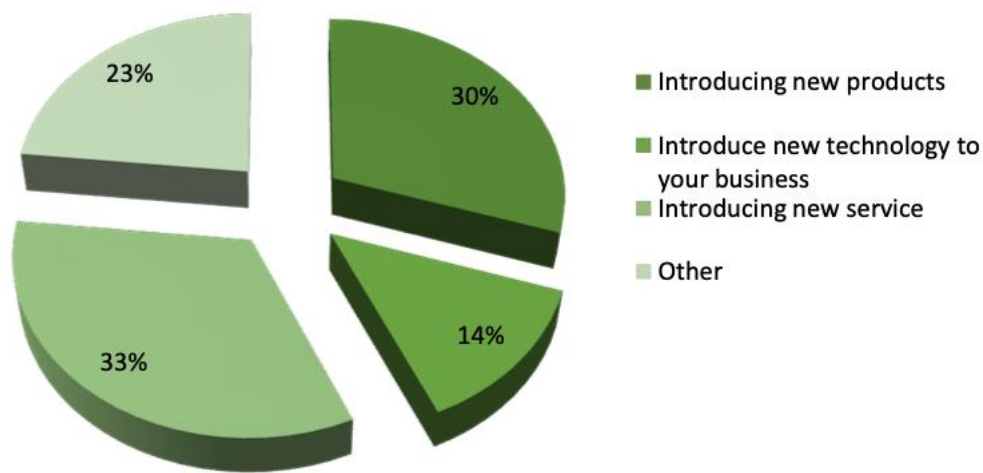
Figure 4.3: Annual Turnover of The Studied Smes Last Year.



### 4.1.4 Businesses Growth Strategies

Businesses use different growth strategies according to the goods and services they provide, and improving overall performance is largely dependent on operational tactics. Feedback on an organization’s expansion plans shows that management in small businesses is free to decide on its own without outside interference. The bulk of business activities in these companies are greatly influenced by the managers, who highlight the significance of maintaining growth for the long-term economic prosperity of countries.

Figure 4.4: Growth Strategy of Studied Smes



Answer Options	Response Percent	Response Count
Introducing new products	30.0%	9
Introduce new technology to your business	13.3%	4
Introducing new service	33.3%	10
Other	23.3%	7
<i>answered question</i>		<b>30</b>

Nine organizations, or about 30.0% of the total based on questionnaire responses, used the operational strategy of launching new goods as a growth strategy. These businesses frequently achieve significant sales before rivals can launch comparable items,

demonstrating the effectiveness of this technique in acquiring a competitive edge. Among the 33.3% of participating companies in the survey or 10 companies, there was a corresponding trend among organizations that were implementing the strategy of introducing new services. Furthermore, four respondents, or almost 13% of the sample, attested to their use of the operational strategy entailing the integration of new technology into their companies. Other respondents provided a variety of growth tactics in addition to these widely used strategies. These included growing the number of stores, improving product quality, and luring in new customers from other businesses. Moreover, a portion of respondents—seven in all, or 23.3%—either said they had no interest in growing or had no clear growth plan.

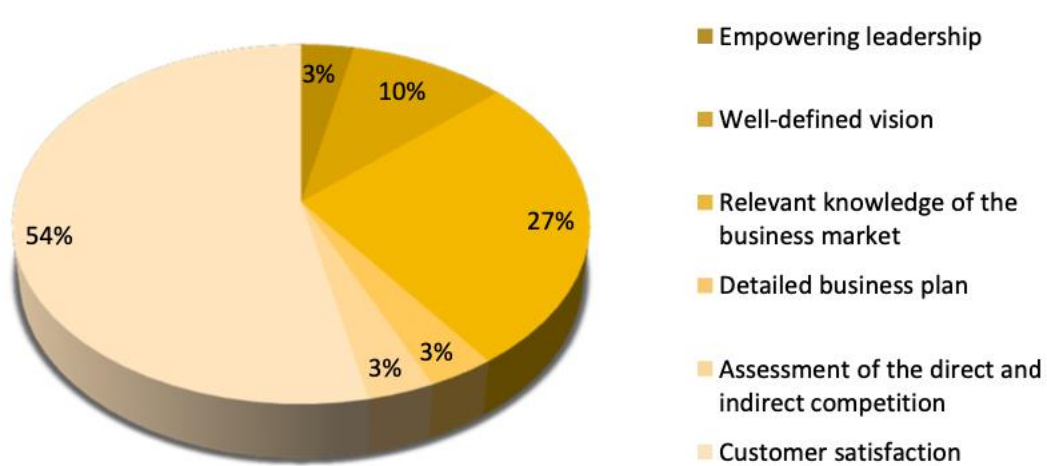
Comprehending the growth methods implemented is crucial in evaluating the competitive advantages that organizations get within their respective industries, especially those that are larger. Notably, businesses that integrate new technologies into their operations do so to provide consumers with superior goods and services and establish a competitive advantage over businesses that do not integrate modern technology. The results highlight the importance of a differentiation strategy (in product or service) as a key instrument for improving SME performance and, eventually, raising competitiveness relative to competitors in the industry.

#### **4.1.5 Crucial Elements of SMEs' Business Success**

Many factors affect an organization's ability to succeed, especially SMEs. These include the development of a clear vision, effective leadership empowerment, and the integration of relevant business market knowledge. Other significant factors include the effectiveness of business plans utilized by entities and the actions implemented to attain client contentment. The study emphasizes how important it is to evaluate both direct and indirect competition when evaluating SMEs' success, both domestically and

internationally. Additionally, while more stable organizations are more likely to succeed, financial stability has a significant impact on how well they operate (Judge, Piccolo & Kosalka, 2009).

Figure 4.5: Major Reasons for The Success of Studied Smes



According to the study's findings, one respondent emphasized that the key factor contributing to their firm's success was leadership empowerment. Three respondents, on the other hand, ascribed their organization's success to the development of a well-defined vision. Approximately eight individuals agreed that incorporating relevant business market knowledge aided their organization's success. Around 16 respondents stated that customer satisfaction indicators were important to the performance of their organizations. Only one respondent said that their company's success was due to assessing direct and indirect competitors, while another attributed success to the organization's clear business plan.

The pooled participation of all responders was quite helpful in identifying the sources of competitive advantages. This coordinated effort is critical because recognizing and using competitive advantages can significantly help organizations improve their performance and achieve success.

#### **4.1.6 Factors that distinguish a company's products/services from competitors.**

Differentiating products and services is an important approach for many SMEs to acquire a competitive advantage. Differentiation is an operational strategy that enables organizations to create and offer original products and services, surpassing competitors in a competitive business environment. The following are extracts from the responses of participants:

A 1: "Providing a product with few competitors as they don't offer that service."

A2: "A wealth of information housed in one location. In general, accessibility and customer service."

A3 stands for "Personalized products."

A4: "Competitive prices and a well-known brand."

A5 stands for "High-quality individual service."

A6 stands for "Reasonably priced products."

A7, which stands for "Personalized service."

A8: "We offer a wide range of products and maintain a reputation for honesty and professionalism."

A9: Tailored to individual requirements.

A10: No discernible distinctions.

A11: Sole provider of our comprehensive service package in the industry.

A12: Our agility as a small entity enables swift adaptation to client demands, offering a more personalized service.

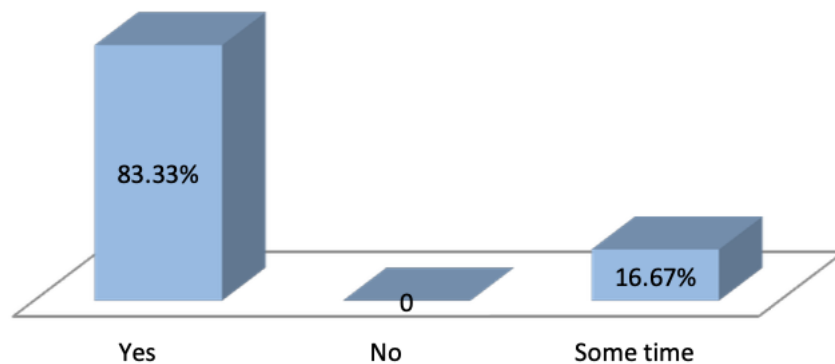
A13: Pay meticulous attention to every detail to craft the ideal guest experience.

#### **4.1.7 Delivering Value and Meeting Customer Expectations**

A critical part of strategic management is ensuring that customer purchasing expectations are met. This is strongly related to consumer satisfaction, which is obtained

when an organization delivers high-quality products or services (Hunjra, 2011). Meeting the requirements of customers in terms of both quality and quantity is critical for achieving a competitive advantage, resulting in higher returns from organizational activities and practices.

Figure 4.6: Delivered Value and Customer Buying Expectation.



Approximately 83.33% of respondents said their company's given value corresponds with client purchase expectations, assuring customer happiness. 16.67%, on the other hand, claimed that the services and products they provide fulfill client expectations inconsistently. Consumer happiness is critical for SMEs, and it is the responsibility of management to ensure alignment with client purchasing expectations. All survey participants replied to this question, providing useful data for analyzing the tactics that organizations might apply to fulfill customer expectations and create a competitive advantage.

#### 4.1.8 Customer Value Provided by the Company

Participants submitted a range of replies on the value their various businesses bring to customers. Consumers want extra qualities that attract and keep their allegiance in addition to outstanding products and services. Participants' responses varied in the research, with some indicating support for a combination of values:

A1. is "Honesty".

A2: "Thinking outside the box, generating solutions rather than just answers."

A3 stands for "Expert input customized to meet customers' needs."

A4: "Excellent value"

A5: "Full service and individualized solutions"

A6: "More growth and improved service as customers require."

A7: "Good service and a reliable product"

A8: "Personalized service tailored to customer needs"

A 9: "Total feedback with customers"

A10. is "Value for money".

A11: "Personalized attention all through the commercial exchange. extensive industry experience supporting new clients in making the best decisions."

A12: "Provide a complete package."

A13: "Irreplaceable service"

#### **4.1.9 Capabilities and Resources for Providing a Distinctive Customer Value Proposition**

Strategic management is a fundamental instrument used by a variety of entities such as businesses, institutions, and ministries to support development across different dimensions. Strategic management, at its heart, allows organizations and ministries to increase productivity, hence supporting economic growth and increasing business competitiveness (Julien & Ramangalahy, 2003). The following insights represent the competencies and resources indicated inside respondents' organizations to provide a differentiated customer value proposition:

A1. is "Local".

A2. "We have established a network with other service providers in our profession, allowing us to provide comprehensive solutions to all our customer needs."

A3. Stands for "Experienced and trained staff."

A4 "The firm depends on my expertise because it does not have physical resources. Having worked as a veterinarian for 14 years, my clients will find great value in this."

A5. "Excellent and committed staff."

A6 stands for "Effective communication."

A7 stands for "A breadth of expertise and high-quality personnel."

A8. "Expert knowledge of the product and a thorough understanding of potential requirements, along with strategies to meet those needs."

A9. which stands for "Skilled staff."

A 10: "Listening to our customers and providing necessary feedback."

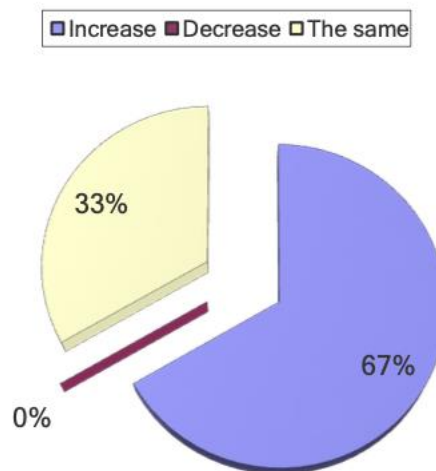
A11: "Many years of experience and extensive testimonials."

Most organizations cooperate with other service providers in their area, allowing them to create comprehensive solutions that suit all consumer requirements. These businesses hire experienced and well-trained employees to ensure competency and proficiency in delivering high-quality products and services. The presence of motivated and talented personnel substantially contributes to achieving high performance, since individuals understand their responsibilities in working towards the organization's common goals. Many respondents cited effective communication, including great listening skills and the capacity to offer relevant feedback, as critical for providing the value that organizations strive to provide to consumers. As a constructive strategy for meeting such objectives, several respondents emphasize the necessity of expert product knowledge and having a management team that knows a wide variety of potential requirements and tactics to meet customer expectations.

#### **4.1.10 Changes in Employee Numbers Over the Last Three Years**

As previously stated, the number of personnel has a significant impact on organizational success, impacting both financial status and resource utilization capacities. According to survey replies, over 67% of participants recognized a beneficial influence of staff numbers on their company's success, while 33% claimed that employee numbers did not affect their businesses' overall performance. Increased manpower provides several benefits, including the exchange of company ideas and experiences. Organizations with a greater employee count tend to outperform those with fewer employees owing to improved cooperation and communication. It's crucial to note, however, that the veracity of this argument changes based on things like leadership styles and the type of organization.

Figure 4.7: Changes in the Number of Employees in The Last Three Years.

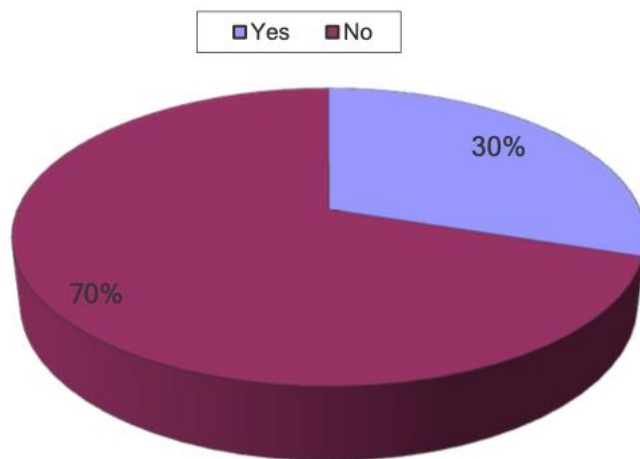


While receiving responses from all participants helps in making inferences regarding changes in staff numbers over the last three years, there is room for skepticism due to certain organization's market presence of less than three years. Nonetheless, this finding has no bearing on the result's trustworthiness and reliability.

#### 4.1.11 Utilizing Market Segmentation to Enhance Market Share.

Most respondents responded that market segmentation was not prioritized as a strategy for increasing market share. Despite accepting the efficacy of segmentation as a competitive strategy for SMEs worldwide, including in the UK, participants acknowledged that segmentation outcomes differ depending on organizational characteristics. This distinction results from the alignment of segmentation and product differentiation, as well as the emphasis on meeting the preferences and demands of certain market segments.

Figure 4.8: Focus on the Market Segmentation to Increase Market Share.



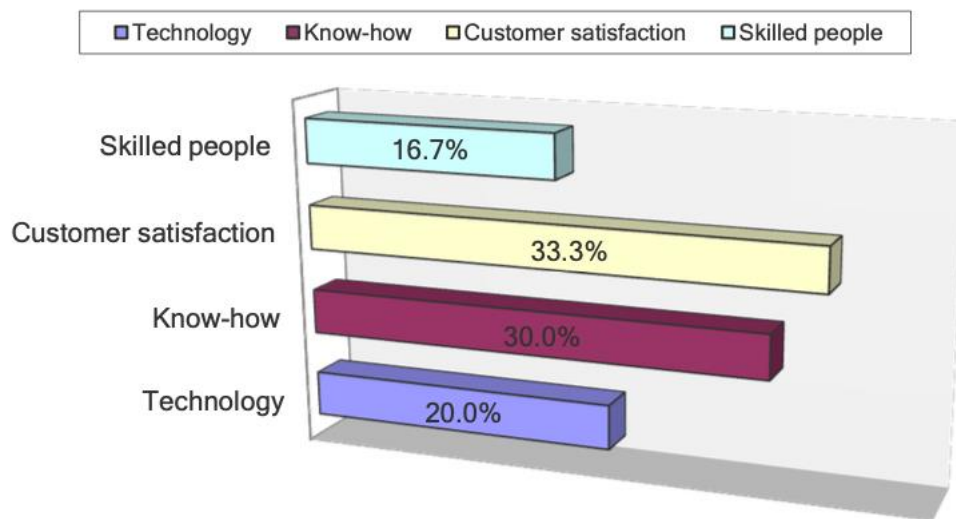
Those who responded suggest that the aggregate income levels of SMEs within a certain market segment are often low when determining the price and quality levels requested by that segment. This strategy departs from the idea of addressing the whole market since it carries the risk of focusing on a specific market. While there are advantages to focusing on market segments, not all organizations see them as such, with most respondents claiming that market segmentation leads to a loss of market share. This is due to SMEs having a higher risk of market fatigue due to restricted coverage and poor operating income. Once attained, customer happiness tends to encourage loyalty, even in the face of new market entrants. Around 30%, or 9 respondents, believe that market

segmentation benefits their market share by lowering it. In contrast, 70% of the respondents (21 people) believe that market segmentation hurts their market share.

#### 4.1.12 Allocation of Resources for Growth in Each Market Segment by Companies

Organizations use a variety of resources to promote development and expansion, such as technology, staff knowledge, customer happiness, and skilled labor. Technological improvements increase the overall quality and effectiveness of service and product delivery, while the integration of diverse resources in organizational operations enhances the overall quality and effectiveness of service and product delivery.

Figure 4.9: Invested Resources in Each Market Segment to Generate Growth.



The survey found that 20% of participants indicated that their organizations invested in technology to promote growth in each market area, while 30% used expertise as a strategy for organizational growth and expansion. Furthermore, 33.3% of respondents said their companies used customer happiness as a growth strategy, while 16.7% said they depended on the abilities of their recruited staff.

#### 4.1.13 Profitable Aspects in Companies

Profitability and growth may be used to analyze the success of SMEs, with some believing that business growth is driven by characteristics such as size, age, and industry. Lkhagvasuren and Xuexi (2014) argue that long-term profitability is critical for SMEs to prosper in a competitive context. According to the survey, SMEs prioritize maximizing business wealth through profitability as one of their financial management objectives.

The following are the replies of the examined SMEs to the most lucrative aspects:

A1: "Property work"

A2: "There is only one part"

A3: "Solar installs"

A4: "Protection"

A5: "Only one service"

A6: "Planning"

A7: "Business plan"

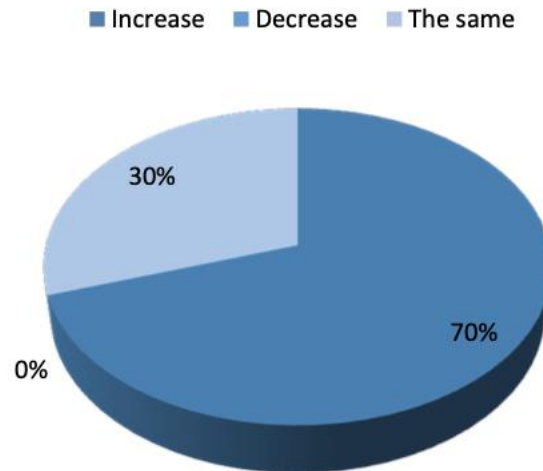
A8: "Work planning"

Most respondents state unequivocally that business planning improves firm profitability and performance. SMEs that apply business planning are more likely to have improved sales growth, higher returns on assets, larger profit margins, and expanded staff expansion, according to Wang et al. (2007). As a result, SMEs with strong business planning are less likely to fail.

#### **4.1.14 Change in Company Size in the Last Three Years**

Given the different internal and external elements that influence commercial organizations, it is expected that organizational size will change over time. According to the findings of the survey, 70% of respondents indicated a rise in the size of their firms throughout the three years, while just 30% said that their companies kept the same size.

Figure 4.10: Changes in the size of studied SMEs in the last three years.



Strategic management duties in Small and Medium Enterprises (SMEs) include a variety of tasks aimed at assuring operational effectiveness and efficiency. These include developing and executing labor legislation, as well as encouraging social discussion among the country's many social groupings. Strategic management concepts and standards also assist workplace inspections to assure compliance with corporate laws, labor regulations, and occupational safety and health legislation.

Specialists in SMEs provide cash to certain departments to guarantee responsibility after the fiscal year. As management entities and providers of national wealth, SMEs are essential. Each enterprise not only uses organizational finances but also creates cash for the government.

## Discussion

Several inferences may be drawn from the link between business strategy and organizational growth in SMEs. Financial situation, personnel count, and the success of expansion plans are all factors that influence firm growth.

The movement of funds into and out of SMEs emphasizes the importance of an efficient method for recording, storing, and retrieving data relevant to organizational health. It is critical to manage financial data using dependable strategic management tools.

Monitoring financial flows entails tracking purchases, sales, contracts, and payments, allowing SME executives to account for financial success and failure.

Strategic management and growth plans help SMEs in the United Kingdom review organizational performance, verify gross benefits, and solve concerns such as theft.

These technologies also aid in the development of operational and decision-making methods, such as pricing. Given the importance of SMEs to a country's success, strategic management may help with order placement, stock levels, and cash flow decisions.

Furthermore, it is critical to emphasize product sales success and offer an accurate image of stock holdings.

An extensive research study was carried out to evaluate the influence of strategic management on business effectiveness in SMEs. Utilizing primary and secondary data, research approaches ranging from qualitative to quantitative were used to validate the effects of strategic management on small and medium-sized business performance in the United Kingdom.

The potential of an economy to increase productivity is the best indicator of its economic well-being. Productivity increase enables businesses to raise pay without raising prices, resulting in true, non-inflationary income growth. Wage rises paid exclusively by increased prices, on the other hand, result in no net increase in consumer purchasing power and lead to no genuine economic development. As a result, the most certain path to long-term economic growth requires organizations to implement business plans that prioritize productivity. Despite historical disagreements among economists about the relationship between strategic management and productivity, a growing body of

evidence suggests that strategic management, particularly when associated with fundamental organizational change, can have a significant and positive impact on productivity. This effect goes beyond a simple return on investment.

There is a strong case to be made for the equivalent significance of strategic management in promoting economic growth in developing nations, even if most economic studies now in existence focus on the link between strategic management and productivity in developed economies. As the "currency" of modern society, information and knowledge form the foundation of the knowledge economy. To succeed in the modern, globally integrated economy, firms everywhere—including those in developing countries—need to be proficient in obtaining and applying information. Case studies show that strategic management techniques are increasingly becoming a basis for productivity and economic growth in emerging organizations, even though the adoption of strategic management in expanding enterprises in the UK does not live up to expectations.

### **4.3 Summary**

The use of strategic management in the business operations of small and medium-sized firms (SMEs) in the United Kingdom is a critical instrument for avoiding theft during material loading and unloading. It is critical to account for all expenses related to the procurement, transportation, and delivery of commodities. Implementing strategic management concepts and ideas helps to enhance accountability. In contrast, SMEs, institutions, and organizations that fail to implement effective and efficient strategic management in their operations deplete their working capital, limiting possible investments in other areas that might improve overall organizational performance. A key factor in guaranteeing the fair allocation of resources and materials among all organizational divisions is the implementation of efficient and successful strategic management systems by SMEs and institutions. The study emphasizes the significance of daily stock inspections, departmental material allocations, and routine monitoring of

the arrival and departure of resources in warehouses or stores. By tracking the time and goals of resource utilization, organizations using strategic management can detect areas that might not have enough material support. Digitalization and improved technology have made it easier to integrate strategic management, which streamlines procedures and controls across the nation. The study concludes by highlighting the sources of competitive advantage found in small and medium-sized businesses as well as the influence of business strategy on the development and growth of organizations.

## **Chapter 5: Conclusion**

### **5.1 The Chapter's Goal**

This chapter's goal is to offer a thorough analysis of all the points raised throughout the research on strategic management in small and medium-sized businesses (SMEs) in the UK. The importance of strategic management will be thoroughly examined, as will be covered in the introduction, literature review, and particular sections on the results and analysis. Evaluating the effectiveness of the study's methodology, the chapter will also highlight key findings related to strategic management in SMEs in the UK. The chapter will conclude by discussing the limits of the study and offering suggestions for how to encourage the government to help SMEs by loosening rules and regulations about commerce.

### **5.2 Summary of Findings and Suggestions**

#### **5.2.1 The First Working Hypothesis (WH1): SMEs' Rapid Growth Strategy**

Organizations use a variety of components in their operations to improve performance and achieve quick development. It is noted that these companies' growth plans depend

on the goods and services they provide to their intended clientele. Moreover, operational, and decisional methods aimed at enhancing overall performance are intimately linked to the success of growth initiatives. According to an analysis of survey responses, small firm management has considerable influence over decisions and enjoys autonomy. It is underlined that maintaining small businesses' growth is essential to a country's long-term economic prosperity.

The results of the survey suggest that some small and medium-sized businesses (SMEs) choose to pursue a growth strategy that revolves around the launch of new goods. This strategy is considered beneficial for acquiring a competitive edge since these businesses may make substantial sales before rivals introduce comparable items to the market. This is especially true for businesses that use the strategy of launching new services. On the other hand, a few SMEs in the same category favor an operational approach that involves incorporating new technology into their existing company procedures. A lot of SMEs also attempt other expansion techniques, such as luring customers away from rivals, opening more locations, and improving the caliber of their products, frequently combining these tactics. A small percentage of companies say they are reluctant to expand or don't have a clear expansion strategy. organizations must comprehend the growth plans that management has put in place to identify sources of competitive advantage, particularly when competing with larger organizations in the sector.

Organizations that use cutting-edge technology, for instance, concentrate on providing top-notch goods and services, giving them a competitive advantage over those that do not. Analyzing market segmentation techniques in small and medium-sized enterprises (SMEs), particularly in the UK, indicates a widespread emphasis on this approach to gain market share. It is widely believed that segmentation is an effective method for competing, albeit the results differ depending on the organization. Customizing items to a target market segment's unique demands and preferences is known as market segmentation. This strategy varies from targeting the whole market in that it carries the risk of focusing efforts exclusively on a single segment, even if it may result in lower

aggregate income levels for SMEs targeting certain market segments. Although market segmentation has its advantages, not all organizations find it beneficial; most respondents believe it results in a smaller market share. This is explained by the possibility of market weariness that small enterprises experience because of their restricted customer base and low operating profitability. Even with new rivals joining the market, client loyalty is increased when specialized services are provided to customers. When the characteristics of small and medium-sized businesses (SMEs) products and services are examined, these elements are vital to the establishment of a competitive advantage. Offering distinctive items that are unavailable from competitors is a very successful technique for creating a competitive edge, according to the study. Other strategies for differentiating goods and services to get a competitive edge include having a thorough understanding of goods or services inside a single organization and making customized offerings.

### **5.2.2 Developing Working Hypothesis No. 2 (WH2): Businesses' Sources of Competitive Advantages**

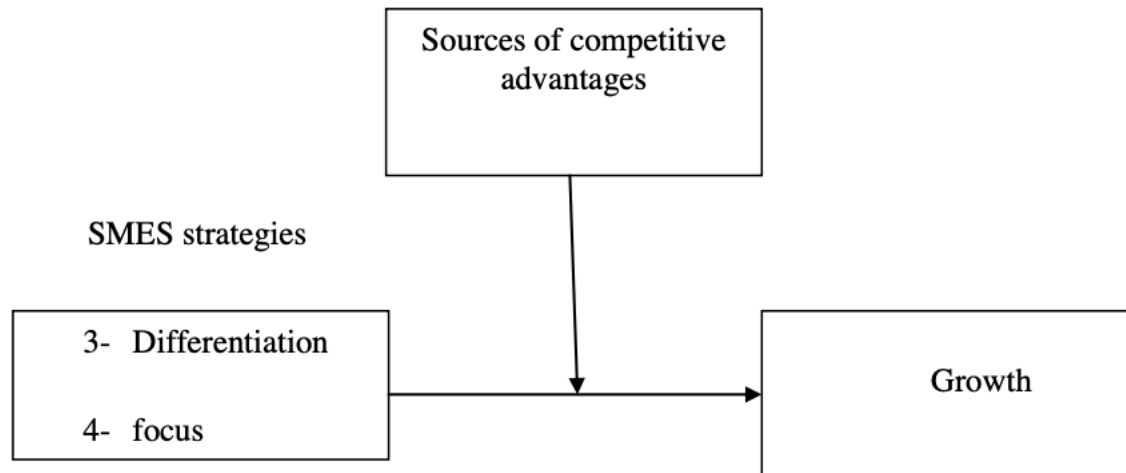
Business organizations' proficiency and competency are dependent on several aspects, such as financial stability, competitive advantage-fostering operational methods, and managerial practices. Influential elements also include incorporating pertinent market knowledge, empowering leadership, and creating a clear vision. The study emphasizes how crucial it is to evaluate both direct and indirect competition for SME organizations to succeed, not only in the UK but across the world. Organizational performance is strongly influenced by financial stability, with more stable organizations showing a better chance of success. Many SMEs credit the steps they took to guarantee client satisfaction for their success. Some companies attribute their success to analyzing their immediate and indirect competitors, while others depend on thorough business planning. The research affirms that creating a unique value offer for customers is a popular

strategy for obtaining a competitive edge. Most small and medium-sized businesses (SMEs) find that, among other things, employing qualified personnel, putting better communication plans into place, and giving clients access to local resources are all necessary for success. As was previously said, to provide complete solutions to consumer demands, SMEs frequently work in conjunction with other service providers within their sector. Hiring qualified, seasoned, and professional employees guarantees competency and proficiency in providing high-quality goods and services. It is believed that communication—which includes the capacity for appropriate feedback and active listening—is essential to achieving the value that businesses hope to deliver to their clients.

When it comes to allocating resources for market segment investment to acquire a competitive edge, technology, staff expertise, customer happiness, and skilled labor are critical resources. Some businesses use technology to help them develop in each market area, while others rely on skills to help them grow and expand. Furthermore, some businesses prioritize customer happiness as a growth strategy, whilst SMEs may emphasize the capabilities of their recruited staff.

### **5.2.3 Validity of Framework**

The creation and implementation of a thorough and complete operational framework in the practice and activities of the organization is critical to the success of SMEs. The research looks at a lot of UK companies that fit this description and makes judgments on how strategic management is implemented in these kinds of organizations. In SMEs, planning is done by experts to guarantee careful budgeting and funding distribution to designated departments for simple accountability after a fiscal year. SMEs highlight the duty of every company to use organizational finances and produce money for the government by acting as both management organs and contributors to the national income.



Understanding the competitive advantage framework, which supports distinguishing products and services and realizing organizational focus, is thus critical for SME success. The following are the research questions' solutions:

### 5.2.4 Methodological Questions

How does the link between business strategy and firm growth in SMEs affect firm growth?

Exploring the relationship between business strategy and firm growth in SMEs, as well as the influence on growth, leads to the conclusion that business strategy is inextricably related to strategic management. This management style oversees planning, managing, and supervising organizational processes, which eventually leads to development and expansion. The ability of strategic management to stimulate growth is demonstrated by programs aimed at social inclusion and cohesiveness, which provide chances for previously underprivileged populations to engage in communal life. Strategic management improves access to knowledge and information, making data gathering, analysis, and distribution more efficient and cost-effective. According to research,

efficient strategic management control systems produce benefits when store workers are well-trained, assuring the availability of required products, handling equipment, and effective protection for organizational assets. Incentives for employees and managers to learn and use strategic management efficiently are essential for long-term development. In an environment that protects property rights, fosters competition protects consumers, and incentivizes enterprises to develop, SMEs are more inclined to invest in strategic management. Tavitiyaman, Zhang, and Qu (2012).

Several studies in strategic management support the concept that well-trained store staff are essential for realizing potential advantages in an efficient strategic management control system. These workers must be well trained in their field to assure the availability of required goods, suitable handling equipment, and, most significantly, effective security for stock cards, storehouses, staff, and access keys. As a result, incorporating strategic management into the operations of SMEs positively adds to the security of these organizations' materials and equipment. Long-term sustainable growth based on strategic management occurs only when employees and managers are encouraged to learn and use strategic management by providing real chances to improve their own lives. In an environment that protects property rights, promotes competition and trade, protects consumers, and encourages enterprises to engage in new goods and services, SMEs are more likely to invest in strategic management (Tavitiyaman, Zhang, & Qu, 2012).

What is the source of small businesses' comparative advantage?

The source of comparative advantage among small businesses differs based on the nature of the services and goods delivered. SMEs frequently focus on offering fair and superior services to targeted clients, which is accomplished via the efficient and effective use of assigned resources. Strategic management practices are critical in ensuring fair resource allocation across departments, satisfying public requirements correctly, and increasing public satisfaction. The integration of measures and approaches ensuring strategic

management efficacy, made possible by current technology and digitalization, is emphasized as critical for SMEs in the UK (Tavitiyaman, Zhang, & Qu, 2012). The use of technical applications and digitalization in strategic management processes is encouraged, to assure security, equality, secrecy, and the equitable distribution of resources and tangible assets.

Understanding the fundamental causes of poor performance in their operations is highly recommended for small and medium-sized enterprises. Gaining this insight is essential to developing methods that apply strategic management principles in a way that improves operational effectiveness. By ensuring that strategic management is implemented correctly in corporate operations, this strategy helps SMEs in the UK perform better than other businesses. To meet the demands of specific clients, the emphasis is on supervising, tracking, and managing the distribution of inventory or resources across various divisions within businesses and sectors (Tavitiyaman, Zhang & Qu, 2012). In conclusion, obstacles impeding the successful realization of goals and objectives in SMEs or organizations in the financial accounting and procurement sectors must be addressed. Establishing appropriate ways for regulating stock, resources, and leadership, notably via the use of strategic management, technology, and digital tools, is required.

There are significant drawbacks to incorporating strategic management into SME operations in the UK, despite the many benefits it offers. Any organization's capacity to implement strategic management effectively depends on having access to skilled and knowledgeable workers from various industries, which requires a substantial financial outlay. Due to a lack of funding for qualified staff, many SMEs struggle to operate, which results in subpar performance and discontent from clients who see a disconnect between organizational goals and real execution (Tavitiyaman, Zhang & Qu, 2012).

Furthermore, the expense of procuring and operating necessary technologies, such as computers, for effective stock control creates a substantial financial issue for SMEs.

### 5.3 Suggestions for Additional Research

Once the causes driving the growth and expansion of small and medium-sized enterprises (SMEs) in the United Kingdom have been understood, it is imperative to identify a research gap concerning the government's involvement in assisting SMEs to improve their performance. It is proposed that SMEs benefit greatly from the government's provision of strong patent protection. This entails promoting innovation via patents, which provide businesses the ability to protect cutting-edge and valuable inventions against piracy. The requirement that inventors make their ideas publicly available, together with the widespread practice of small and medium-sized enterprises (SMEs) cross-licensing patented innovations to third parties, promotes the sharing of technical information and inspires further innovation from other inventors.

Furthermore,

- UK government officials and all ministries should ensure that their patent laws are in line with international standards and that the mechanisms in place result in the timely granting of high-quality patents. This is critical for increasing the efficacy of strategic management in firms.
- Individuals and organizations with strategic management expertise and abilities, as well as government bodies, should actively support market access for SMEs and associated organizations in the UK.
- In terms of SMEs, the government must unwaveringly uphold its current trade obligations and, where necessary, strengthen them in bilateral, regional, and multilateral accords. These accords lay the groundwork for important trade concepts that promote both international commerce and the expansion of the world economy.
- Additionally, governments should abstain from taking any action that would result in non-tariff trade barriers for the goods and services that SMEs offer.

It is recommended that procurement specialists in SMEs implement open competition in their strategic management practices. Governments should base SME procurement choices on pertinent performance criteria to eliminate market distortion caused by producer preferences, such as particular development or licensing models. Value, total cost of ownership, feature set, performance, and security are a few things to consider. To ensure free competition and transparency in the procurement process, SMEs must also abide by the terms of the WTO Agreement. E-commerce boosts a developing organization's competitiveness by providing low-cost worldwide client reach for sellers. To achieve public policy objectives, governments should guarantee non-discriminatory regulatory measures for e-commerce, employing the least trade-restrictive methods possible. To foster efficient strategic management both locally and internationally, SMEs in the UK should keep the moratoriums on e-commerce tariffs in place.

## Addendum 1: Survey

### questionnaire survey

Dear Participant:

I am a student at Bangor University, MA Finance and Management. I am doing a research exploring a framework to develop strategies for small to medium businesses (SMEs) in order to continue growing. My goal is to collect information from top 100 successful SMEs in UK, analyse the data, and prove this framework is possible.

Your participation in this useful study about strategic management of SMEs in UK. Is going to provide new framework of the successful strategic management aspects for SMEs to survive and grow. It will explore the best sources of competitive advantages in SMEs that enhance the growth strategy. I strongly appreciate your support in this important study. It only takes 10 minutes. We will treat all information with confidentiality. We will not mention names of individuals or companies throughout the process. The study data will not be associated with any names or personal details, and we will not share it with any other persons without your permission and we will destroy all data after completing the study.

Survey results will only be presented in the form of statistical summaries report. Your participation and return of the questionnaire indicate your consent to allow us to use it in the study.

For further information, or to report a concern about the study, please email

Graduate Student: K. Al-sayari: [msczkaa@gmail.com](mailto:msczkaa@gmail.com).

Module Leader: Dr. A. Karami College of Business, Bangor University LL57 2DG.

Company name (optional) .....

#### \*1. How many employees does your company employ?

- 1-9
- 10-49
- 50-249
- more than 250

#### \*2. In which year was your company registered?

- Less than 2 years
- Between 2-5 years
- Between 5-10 years
- More than 10 years

**\*3. What was the annual turnover of your company in last year?**

- Less than £2 million
- Between £2-£5 million
- Between £5-£10 million
- More than £10 million.
- Other (Please Specify)

**\*4. What is your company growth strategy?**

- Introducing new products
- Introduce new technology to your business
- Introducing new service

Other (please specify).....

**\*5. What was the major reason for the success of your company? (please tick any applies)**

- Empowering leadership
- Well-defined vision
- Relevant knowledge of the business market
- Detailed business plan
- Assessment of the direct and indirect competition
- Customer satisfaction
- Finance

Others (please specify).....

**\*6. What makes your product/ service different from competitors?**

**\*7. Does your delivered value meet customer buying expectation?**

**\*8. What value does your company provide to the customer?**

**\*9. What capabilities and resources that your company has to deliver this distinct customer value proposition?**

**\*10. Did the number of employees change in your company in the past three years?**

- Increase
- Decrease
- The same

**\*11. Does your company focus in market segmentation to increase market share?**

- Yes
- No

**\*12. What are the resources that your company invest in in each market segment to generate growth?**

- Technology
- Know-how
- Customer satisfaction
- Skilled people

Other (please specify)

**\*13. What part of your company produces more profit?**

**\*14. Did your company size change in last three years?**

- Increase
- Decrease
- The same

# TOP 100 SMEs

Top 100 2014	Top 100 2013	Company	Activity	Location	Latest accounts date	Profit before tax E000	Profit before tax previous year E000	Turnover E000	No. of employees
1	4	Melett	Turbocharger repair parts manufacturer	Barnsley	31/05/2012	8,042	6,754	19,372	54
2	1	Lazarus Properties	Property development & investment	Doncaster	30/11/2012	7,328	8,997	6,273	9
3	17	Dransfield Properties	Property development & investment	Barnsley	30/09/2012	4,985	3,328	18,651	17
4	25	Glass Recycling (UK)	Waste product treatment	Barnsley	30/09/2012	4,606	2,990	12,067	61
5	12	FTL Seals Technology	Fluid seals & engineered product manufacturer	Leeds	31/12/2012	4,577	4,004	14,614	38
6	39	Econ Engineering	Highway maintenance equipment manufacturer	Ripon	31/03/2013	4,239	2,444	28,554	204
7	63	Xamol	Patents & trademark licensor	Brighouse	31/10/2012	3,940	1,934	16,963	109
8	28	Techmotion	Management services	Bradford	30/11/2012	3,714	2,853	18,894	146
9	14	Globesign	Carpet manufacturer	Cleckheaton	28/02/2013	3,677	3,603	17,484	212
10	26	EOF Holdings (Note 1)	Office furniture manufacturer	Goole	31/01/2013	3,665	2,985	15,271	108
11	36	Benchmark Holdings PLC	Technical services	Sheffield	30/09/2012	3,619	2,582	18,547	112
12	-	MRC Flangefitt	Stainless steel flange, fitting & pipe wholesaler	Cleckheaton	30/09/2012	3,570	687	24,407	34
13	-	Robinson Healthcare Group	Medical supplies	Worksop	30/06/2012	3,566	-	19,709	160
14	46	Sirdar Holdings	Yarn & textile distributor	Wakefield	30/06/2012	3,512	2,265	21,066	124
15	-	Walker Modular	Modular bathroom pod manufacturer	Hull	31/03/2013	3,291	5,132	19,296	137
16	21	High Point Estates	Property development & investment	Leeds	31/07/2012	3,242	3,183	6,861	4
17	15	Rushbond PLC	Property development & investment	Leeds	30/11/2012	3,200	3,353	7,202	6
18	19	P R Marriott Drilling	Test drilling & boring	Chesterfield	30/04/2012	3,198	595	17,887	118
19	16	Kuusakoski	Metal merchant	Sheffield	31/12/2012	3,113	3,349	32,811	21
20	13	Hi-Level Enterprises	Motorcycle accessory wholesale	Doncaster	31/12/2012	3,044	3,819	9,462	23
21	37	Simply BIZ	Insurance services	Huddersfield	31/12/2012	2,957	2,523	16,207	148
22	20	J.W. Crowther & Son	Excavation, plant hire, cleansing & winter maintenance	Leeds	30/09/2012	2,939	3,194	8,069	37
23	8	Wykeland Group	Property development & investment	Hull	31/03/2013	2,938	4,513	5,478	16
24	-	Kexgill	Property development & letting	Hull	30/06/2012	2,874	1,395	10,665	84
25	-	Construction Marine	Civil engineering for river, harbour and coastal works, underwater civil engineering and diving contracting	Leeds	30/09/2012	2,864	595	15,639	77
26	-	H. B. Projects	Project & construction management	Bradford	28/02/2013	2,848	549	29,834	107
27	-	Sovereign Health Care	Health cash plan provider	Bradford	31/12/2012	2,777	[1,671]	9,596	49
28	-	Siddall Medical	Medical supplies	Halifax	31/12/2012	2,770	1,028	21,798	148
29	71	Transwaste Recycling And Aggregates	Aggregate recycling & treatment of wastes	North Ferriby	31/12/2012	2,713	1,819	29,610	59
30	31	Aflex Hose	Hose manufacturer	Sowerby Bridge	31/08/2012	2,703	2,753	19,115	203
31	23	Reliance RG	Electronic engineers	Huddersfield	31/03/2013	2,693	3,083	21,045	234
32	-	Westdale Services	External rendering, general construction & property refurbishment	Doncaster	31/01/2013	2,678	-	17,902	-
33	30	Naylors Finance	Money lender & furniture retailer	Wakefield	31/07/2012	2,659	2,778	11,989	60
34	-	Premier Technical Services Group	Permanent façade access equipment & lighting protection services	Castletford	31/12/2012	2,657	564	12,072	109
35	-	Cascade Human Resources	Computer products & services	Pudsey	31/03/2013	2,557	-	6,402	79
36	29	Crompton Lamps	Lighting manufacturer & distributor	Bradford	31/12/2012	2,550	2,841	14,135	41
37	53	Benson Park	Chilled food producer	Hull	31/08/2013	2,525	2,130	24,595	61
38	10	History & Heraldry	Giftware wholesaler	Rotherham	31/12/2012	2,442	4,144	15,376	74
39	45	Drishawn Holdings	Electrical enclosures & industry sensing products	Sheffield	31/12/2012	2,436	2,269	16,424	103
40	11	JOE Browns	Clothing & accessories retailer	Leeds	30/06/2012	2,402	4,021	20,971	81
41	64	LPD (Holdings)	Property development & investment	Leeds	30/09/2012	2,384	1,930	24,722	66
42	51	Jack Lunn (Holdings)	Property development & investment	Pudsey	30/09/2012	2,363	2,153	9,308	43
43	24	Moorhen Holdings	Cladding & roofing manufacturer, property trading & investing	Chesterfield	30/06/2012	2,360	3,072	19,816	43
44	50	Bramall Properties	Property development & arable farming	Harrogate	31/12/2012	2,311	2,167	4,627	5
45	40	Groveport 2012 (Note 2)	Logistics & distribution	Scunthorpe	30/06/2012	2,294	2,410	11,116	107
46	-	Heavy Duty Parts	Commercial vehicle parts wholesaler	Retford	31/12/2012	2,270	-	9,234	19
47	66	TGW (Holdings)	Machine knives manufacturer	Sheffield	31/03/2013	2,217	1,889	14,548	147
48	43	Osborn Metals	Metal product manufacturer	Rotherham	31/03/2013	2,216	2,342	23,652	170
49	56	Park House Healthcare	Medical supplies	Bradford	31/12/2012	2,215	2,078	15,495	152
50	62	President Engineering Group	Valve manufacturer	Sheffield	31/10/2012	2,209	1,945	19,579	107
51	73	Laratech	Security system design & management	York	30/11/2012	2,199	1,776	12,645	136
52	80	C & K Wood (U.K.)	Egg farmer	York	31/10/2012	2,189	1,685	14,928	7
53	-	Cellhire Group Limited	Mobile communications provider	York	30/04/2013	2,169	1,420	21,936	97

#### Notes on Top 100 SMEs Yorkshire

Note 1 EOF Holdings appeared in last year's table as Elite Office Furniture (UK). Note 2 Groveport 2012 appeared in last year's table as Groveport Logistics. Figures compiled by Barber Harrison & Platt using latest published financial information at the time of carrying out this survey filed at Companies House and financial data provided by Bureau van Dijk's Fame. To qualify for inclusion, businesses must: • be an independent company OR the ultimate holding company of a UK group. • be an SME, i.e. meets two of the following measures - less than 250 employees - less than £25.9m turnover - less than £12.9m gross assets. • not be a charity, academy, Limited Liability Partnership or listed Public Limited Company. • be up-to-date filing accounts at Companies House. • have a registered or primary trading address in Yorkshire and Humber. NOTE: Due to the way in which regions are allocated in Fame, some neighbouring towns to the region have also been included in this survey.

Your business is our business

# ORKSHIRE 2014

Top 100 2014	Top 100 2013	Company	Activity	Location	Latest accounts date	Profit before tax £000	Profit before tax previous year £000	Turnover £000	No. of employees
54	81	Cathelco	Protection & anti-fouling for shipping	Chesterfield	31/03/2013	2,137	1,682	16,603	96
55	32	Timothy Taylor & Co.	Brewing & pub management	Keighley	30/09/2012	2,117	2,736	22,150	215
56	95	Cardale Asset Management	Investment management	Harrogate	30/09/2013	2,107	1,505	8,095	52
57	-	Ward Hi-Tech	CNC machine supply, installation, training & servicing	Sheffield	31/03/2013	2,039	1,117	16,041	29
58	44	Park Leisure 2000	Caravan park operator & caravan retailer	Bridlington	31/12/2012	2,021	2,305	27,325	146
59	-	Arena Group Holdings	Electronic document management & IT solutions	Wakefield	30/09/2012	2,013	737	16,772	152
60	-	Hague Computer Supplies	Print & IT solutions	Normanton	31/12/2012	1,981	694	12,751	42
61	84	High Seat Holdings	Seating manufacturer & retailer	Dewsbury	31/12/2012	1,972	1,655	20,501	136
62	-	Distinction Doors Holdings	Composite doors distributor	Barnsley	31/12/2012	1,958	1,248	29,007	39
63	-	T.&R. Theakston	"Theakstons" branded cask, keg & bottled beer wholesaler	Ripon	31/12/2012	1,952	1,447	10,439	27
64	-	Clarion Solicitors	Legal services	Leeds	31/05/2012	1,942	1,149	8,389	115
65	-	Brands Home & Leisure Holdings	Houseware distributor	Leeds	31/12/2012	1,937	1,402	12,811	27
66	-	Buckley Jewellery	Jewellery distributor	Leeds	31/01/2013	1,921	[46]	13,115	39
67	-	Eddisons Commercial (Holdings)	Chartered surveyors	Leeds	31/03/2013	1,900	1,136	15,786	229
68	-	List Group PLC	Design & consultancy engineers & recruitment consultants	Scunthorpe	30/04/2013	1,893	208	17,706	394
69	-	J.T.Ellis And Company	Furniture & cabinet manufacturer	Huddersfield	30/06/2012	1,891	771	17,733	209
70	-	Astonish Holdings	Cleaning chemicals & materials manufacturer & distributor	Bradford	31/05/2013	1,888	1,031	13,636	58
71	74	X-Cel Superturn (GB)	Precision engineering component manufacturer	Sheffield	31/03/2013	1,866	1,769	19,073	114
72	42	Aspire-I	Career advisors	Bradford	31/07/2012	1,857	2,368	4,721	71
73	88	SCX	Mechanical handling, lifting & crane services	Sheffield	31/03/2013	1,844	1,614	17,301	113
74	-	Silkstone Finance	Furniture systems manufacturer	Barnsley	31/01/2013	1,839	1,390	14,347	115
75	-	P.P. Group Holdings	Engineering	Leeds	31/08/2012	1,838	1,420	14,125	73
76	-	Ansell Electrical Products	Electrical lighting products wholesaler	York	30/04/2012	1,837	1,009	17,785	70
77	-	Videcon Public Limited Company	Video security equipment & microcomputers & ancillary equipment wholesaler	Heckmondwike	31/08/2012	1,828	738	14,489	49
78	-	Diagmed Healthcare	Supply medical devices	Thirsk	30/11/2012	1,827	1,385	10,836	35
79	35	Abraham Moon Holdings	Wool manufacturer	Leeds	31/12/2012	1,817	2,592	17,026	190
80	49	John Horsfall & Sons (Greetland)	Travel textile manufacturer	Halifax	31/12/2012	1,807	2,173	15,665	46
81	-	Emsley Brothers	Craneage services	Harrogate	31/12/2012	1,803	1,042	7,794	60
82	-	Jessgrove	Lining & textile material wholesaler	Bradford	31/12/2012	1,800	1,162	22,604	66
83	-	Stroma Developments	Quality assurance, energy assessors training & fire safety equipment testing	Castletford	31/03/2012	1,775	917	10,571	164
84	54	Park Lane Properties (Leeds)	Property development & investment	Leeds	30/09/2012	1,775	2,121	10,107	90
85	69	GGR Holdings	Advertising agency	Leeds	31/12/2012	1,758	1,849	10,244	143
86	78	Pitts Wilson Electrical	Electrical contractor	Bradford	30/06/2012	1,748	1,706	18,392	156
87	-	Leeds Commercial	Vehicle hire	Leeds	30/09/2012	1,741	1,585	22,436	110
88	79	E C M Systems	Electronic & micro-electronic equipment manufacturer	Hull	31/03/2013	1,698	1,698	6,191	62
89	-	PC Specialist	Computer assembly	Wakefield	31/08/2012	1,686	-	17,207	31
90	83	Viscount Environmental	Energy conservation	Castletford	31/05/2012	1,676	[504]	10,790	131
91	-	Wooltex U.K.	Textile manufacturing	Huddersfield	31/12/2012	1,674	494	13,766	58
92	-	AL Murad D.I.Y.	Ceramic tiles, wallpaper & DIY accessories wholesaler	Leeds	31/03/2012	1,662	1,020	22,417	210
93	-	Peak Health Distribution	Health supplement supply & distributor	Hull	31/03/2013	1,643	-	9,767	23
94	-	Harder Bros.	Sausage casing manufacturer	Leeds	31/03/2012	1,637	803	29,165	137
95	100	Wolf Safety Lamp Company (The)	Manufacture & sale of safety lamps	Sheffield	30/06/2013	1,635	1,459	10,223	38
96	86	Morco Products	Heating equipment wholesaler	Hull	31/03/2012	1,630	1,704	9,235	17
97	76	System Q	Security system wholesaler	Chesterfield	31/01/2013	1,603	1,716	6,483	28
98	-	If Cardboard Creations	Innovative gift & book wholesaler	Pickering	31/03/2013	1,599	-	7,008	55
99	-	Hmca/S PLC	Insurance services	Knaresborough	30/06/2013	1,590	1,225	11,171	26
100	-	T.W. Ward C.N.C. Machinery	Metalworking machinery hire & sales	Sheffield	31/03/2013	1,580	1,880	16,463	39

For financial periods of more than or fewer than 52 weeks, the figures have been annualised on a pro-rata basis. Private company information can be incomplete: in preparing this table every reasonable effort has been made to ensure that no qualifying companies have been omitted. In certain circumstances the compilers of the table have made exceptions to the qualification criteria and their decision is final.

Nominations for next year's table are welcome at: info@bhp.co.uk

**Your business is our business**

Karami, A., and F. Analoui (2003). *Strategic Planning in Small and Medium-Sized Businesses*. London, UK: International Thomson Learning Publications.

J. Barney (1991). Resources of the Firm and Long-Term Competitive Advantage. *Management Journal*, 17, 99–120.

Matthews, C. H., and S. L. Barton (1989). The implications of financing small businesses from a strategic management standpoint. 27(1), 1–7; *Journal of Small Business Management*.

Locke, E. A., Smith, K. G., and Baum, J. R. (2001). a multifaceted venture growth approach. *Journal of Academy of Management*, 44 (2), 292-303.

Klettner, A., and T. Clarke (2010). Issues with Corporate Governance for SMEs. *Journal of Governance and Ethics in Business Systems*, 4(4), 23–40.

Management Succession and the Stages of Small Business Development by Clifford, Nilakant, and Hamilton, M. *Journal of International Small Business*, 9, 43–55.

A. C. Cooper (1981). Small businesses and new ventures under strategic management. 14(5) *Long Range Planning*, 39–45.

J. W. Creswell (2003). *Qualitative, quantitative, and mixed methods approaches are used in research design*. Publishers: Sage, California.

Akingbade, W. A., Dauda, Y. A., and Akinlabi, H. B. (2010). The corporate performance and strategic management practices of a selected group of small businesses in the Lagos metropolitan area. *Journal of Business and Management International*, 5(11), pp 97-105.

The impact of international business on the world economy was examined by Geiersbach, N. (2010) in the *Business Intelligence Journal* (3(2), pp. 119-129).

On December 10, 2014, the GEM 2005 report on high-expectation entrepreneurship was accessed. It may be found at <http://www.gemconsortium.org/docs/267/gem-2005-report-on-high-expectation-entrepreneurship>.

In the *Asian Journal of Business and Management Sciences* (2(8), pp. 51–59), Hin, C., Abdul Kadir, K., and Bohari, A. (2012) examined the strategic planning of SMEs in Malaysia, concentrating on the kinds of tactics used during an economic slump.

In the International Journal of Business and Social Science (Vol. Nr 20; November 2011), Hunjra, A. (2011) investigated the drivers of business performance for Small and Medium Enterprises.

In their study on the bright and dark sides of leader qualities in The Leadership Quarterly (20, pp. 855-875), Judge, T., Piccolo, R., and Kosalka, T. (2009) gave a complete examination and theoretical expansion of the leader trait paradigm.

In Entrepreneurship Theory and Practice (vol. 27, no. 3, pp. 227-245), Julien, P., and Ramangalahy, C. (2003) performed an empirical examination of the influence of export information search and competencies on the competitive strategy and performance of exporting SMEs.

In their 2001 book "The Strategy-Focused Organisation," published by Harvard Business School Press, Kaplan, R. S., and D. P. Norton examined the business practices of balanced scorecard organizations and how they succeed in the modern corporate landscape.

Kutllovci, E. and Shala, V. (2013) investigated in the International Journal of Business and Social Research (3(4), pp. 87-92) how strategic management contributed to the expansion of small enterprises in Kosovo.

The 2012 article "Business Strategy" by Kutllovci, E., Shala, V., and Troni, B. examined the major factors influencing the growth of SMEs in Kosovo. It was released in the International Journal of Management and Economics Advances, Volume 1, Issue 3, pages 42–46.

An investigation of the factors influencing entrepreneurship among ethnic minorities in Benue state, north-central Nigeria, was carried out in 2013 by Kpelai, S. Published in the Kenya Studies Review (6(1), pp. 1-258) is documentation of this work.

In 2011, Lehaney, B., Lovett, P., and Shah, M. released "Business Information Systems and Technology: A Primer" by Routledge in New York, USA.

T. Mazzarol and S. Reboud presented a conceptual framework on "Strategic Management in Small Firms" at the 20th Annual Australia & New Zealand Academy of Management (ANZAM) Conference in Rockhampton (December 6-10, 2006).

When T. Mazzarol presented his paper "Strategic Management of Small Firms" at the 17th Annual SEAANZ Conference in Brisbane, Queensland, on September 26–29, 2004, he offered a framework for entrepreneurial endeavors.

In a 1998 article published in the *Small Enterprise Research* journal (6(2), pp. 20–35), McMahon, R. reviewed stage theories of SME growth.

In 1998, Moran, P. wrote an article in the *International Small Business Journal* (16, 3, 17-38) about the personality traits and growth orientation of small business owner-managers.

Morgan, N., and E. Smit dived into "Contemporary Issues in Strategic Management" in 1996, published by Kagiso Publisher and CCDD at Technikon SA in Cape Town.

Mulford, C.L., Shrader, B., and Hansen, H.B. discussed operational and strategic planning in small enterprises in 1988 at Iowa State University's North Central Regional Centre for Rural Development.

Effective strategic planning in small and medium-sized businesses was examined by O'Regan, N., and Ghobadian, A. in 2002. Their findings were published in *Management Decision* (40(7), pp. 663-671).

In 2006, Orsato, R. investigated the profitability of competitive environmental strategies. The study was published in *Strategic Direction* (22(8), pp. 127-143).

"Strategic Management in the Hospitality Industry" was released in its third edition by Prentice Hall, New Jersey, in 2008 and was written by Olsen, M.D., West, J.J., and Tse, E.C.Y.

M.E. Porter released "Competitive Strategy" in 1980 by Free Press in New York.

In 2013, Kraja, Y., and Osmani, E. investigated the influence of competitive advantage on small and medium-sized firms (SMEs) in Albania. This research was published in the *European Scientific Journal* (9(16), pp. 76-85).

In 2004, Skrt and Antoncic performed an empirical study on strategic planning and small business growth. Their findings are published in the journal *Managing Global Transitions* (2(2), pp. 107-122).

In 1995, Srinivas, K. wrote on the difficulties and growth of attitude associated with company globalization in the *Journal of Management Development* (14(3), pp. 26-49).

In 2012, Tavitiyaman, P., Zhang, H., and Qu, H. investigated how organizational structure and competitive tactics affected hotel performance. The *International Journal*

of Contemporary Hospitality Management (Vol. 24 Iss: 1, pp. 140-159) features their findings.

2014 saw Uusitalo, O. look into the topic of SMEs in foreign B2B marketplaces creating brands through design and modularization. The Journal of Business Market Management (7(2), pp. 354-579) has documentation of this study.

In their book "Entrepreneurship," released in 2013 by M. E. Sharpe Inc., Vozikis, G. S., Mescon, T. S., Feldman, H. D., and Liguori, E. W. investigated entrepreneurship, venture initiation, management, and development.

A.D. Zari (2009). Sources of competitive advantage in a changing market, Vol. 2.

Section Two:

J. B. Barney (2001). Assessing the usefulness of the resource-based "view" in studies related to strategic management. Journal of the Academy of Management, 26(1).

Zajac, E. J., and J. B. Barney (2001). Competitive organizational behaviours: Towards an organizationally grounded theory of competitive advantage. Journal of Strategic Management, 15(4).

Ates, A., and Bititci, U. (2009). Evidence from small and medium-sized manufacturing firms in the United Kingdom: strategy management. The 16th International Conference of the European Association for Operations Management.

J. Burgoyne, W. Hirsh, and S. Williams (2004). Evidence, opportunities, and research requirements in the development of management and leadership capability and its contribution to performance. Lancaster University, UK, Department for Education and Skills research report N 560.

R. Cafferata and R. Mensi (2000). A typological perspective to information's function in the internationalization of SMEs. 13(3), International Small Business Journal.

Cohen, W. M., and D. A. Levinthal. Absorptive capacity: A fresh look at learning and innovation. 36(1), Administrative Science Quarterly.

M. Entrialgo, E. Fernandez, and C. J. Vazquez. Entrepreneurship and strategic management are linked. 20(8), Technovation.

Gangoellis, M., Roca, X., Casals, M., and Forcada, N. (2007). Web database use for document management among Spanish SMEs operating in the construction industry. *Construction Automation*, 16(4), 411-424. Reference: 10.1016/j.autcon.2006.07.011

Kate, H., and B. Graham (2005). The necessity of a strategic approach: SMEs must train and develop a staff that is varied in age. 47(8/9) *Education + Training*, 592–6004.  
Smith, D., and Hudson-Smith, M. (2007). putting in place performance assessment that is strategically aligned with small businesses. *Journal of Production Economics International*, 106(2).

Iskanius (2008) wrote. In the context of SMEs, risk management in ERP projects is discussed in *Engineering Letters* 17(4), 266-273.

M. Islam, T. Keawchana, and D. Yusuf (2011). Factors Influencing the Business Success of Thailand's Small and Medium Enterprises (SMEs). 7(5), *Asian Social Science*.

P. A. Julien and C. Ramangalahy (2003). An empirical assessment of the influence of export information search and competences on exporting SMEs' competitive strategy and performance. *E T & P*, 1(1).

Gibb, A. F., Dainty, A. J., and Kheni, N. A. (2010). An analysis of the contextual factors influencing the management of health and safety in small and medium-sized enterprises (SMEs) in developing nations. 10.1061/(ASCE) CO.1943-7862.0000218. *Journal of Construction Engineering & Management*, 136(10), 1104-1115

Osmani, E., and Kraja, Y. (2013). The Impact of Competitive Advantage on Medium-Sized and Small Businesses. Vol. 9, No. 16, *European Scientific Journal*.

M. Levy (2004). *SMEs' Information and Information Systems: Growth Strategies*. Elsevier Burlington, Inc.

In 2001, Levy, M., Powell, P., and Yetton, P. IS and SMEs' strategic contexts being in alignment. *Journal of Information Technology*, 16(3), 133 (Routledge, Ltd.).

Epure, M., and C. Lianu (2009). Assessment of Romanian SMEs' branding processes. *Proceedings & Annals of DAAAM*, 1623-1624.

C. Massey (2006). A New Approach to Business Development for SMEs: Focusing on Development Potential. doi: 10.1068/c0539. *Environment & Planning C: Government & Policy*, 24(1), 37–49.

Porter, M.E. (1980): *A Competitive Approach*, New York: Free Press.

Stern, S., and M.E. Porter (2001). *According to The Global Competitiveness Report: 2001-2002, "National Innovative Capacity."* Oxford University Press, New York.

Porter, ME. (2001). *The Internet and strategy.* *Journal of Business, Harvard*, 79(3).

M. E. Porter (1990). *The national competitive advantage.* Free Press, New York, 1990.

*Competitive Advantage*, M.E. Porter, Free Press, New York, 1985.

C. W. Roney, 2003. *Generally Accepted Principles for Strategic Management Methodology Practitioners.* Praeger, Westport, Connecticut.

B. L. Seaward (2012). *Principles and Strategies for Health and Well-Being in Stress Management.* Jones & Bartlett Learning, Burlington, MA.

H. D. Vries and J. Margaret 2003. *Creating a Model to Assess Small and Medium-Sized Businesses' Strategic Management Capability.* *American Academy of Business Journal*, Cambridge, Vol.3 (1/2).

C. Wang, E. Walker, and J. Redmond. 2007. *The Importance of Owner Motivation in Explaining the Lack of Strategic Planning in SMEs,* *International Journal of Organizational Behaviours*, Volume 12 (1), pp.1-16.

*Strategic Management Dynamics*, K. Warren. Wiley, Chichester, West Sussex, England.

Pardo-del-Val, M. and T. Welbourne (2009). *Relational capital plays a crucial role in providing small and medium-sized enterprises (SMEs) with a strategic advantage through negotiation and collaboration.* 18(5), 483–497 in *Group Decision & Negotiation*; doi: 10.1007/s10726-008-9138-6

(2006) Whittington, R. *Organisation Studies*, 27(5): *Embracing the Practise Turn in Strategy Research.*

Yu (2002) T. F. L. *The Small Enterprise via the Lens of Capabilities.* *Journal of Management Review International*, 3 (3).

Zorpas, A. (2010). *Systems of Environmental Management as Sustainable Instruments for SMEs and VSMEs.* The article "Bioresource Technology, 101(6), 1544-1557" may be found online.

### Section Three:

In 1997, Arbnor, I., and Bjerke, B. *Methodology for the Creation of Business Knowledge*. Sage Publications, Thousand Oaks, California.

H. S. Becker (1970). *Approach and Content in Sociological Research*. Alpine Publications, Chicago, IL.

B. Beside (2003). *Research Methods: Uses and Limitations of Questionnaires, Interviews, and Case Studies*. GRIN Publishing Verlag.

Wilkinson, I. F., and Buttriss, G. (2006). Using Narrative Sequence Methods to Advance the Theory of International Entrepreneurship. *International Entrepreneurship Journal*, 4, 157–174.

Churchill (2009) and Iacobucci (2009). *Methodological Underpinnings of Marketing Research*. Published by Cengage Learning.

J. W. Creswell (2013). *Approaches to research design include qualitative, quantitative, and mixed methods approaches*. Sage Publications, Thousand Oaks, California.

Crowther, D., and G. Lancaster. *A Concise Introduction to Management and Business Consultancy Research Methods*. Routledge: London, United Kingdom.

Denzin, N. K., and Y. S. Lincoln. *The Qualitative Research Handbook*. Sage Publication, Thousand Oaks, California.

C.T. Fischer (2005). *Introduction to Qualitative Research Methods for Psychologists Using Empirical Studies*. Academic Press, New York.

H. Fry, S. Ketteridge, and S. Marshall (1999). *A Handbook for Higher Education Teaching and Learning*. Glasgow: Kogan Page Publishers, p. 408.

Gee (2014) J. P. *Discourse Analysis: A Theory and Methods Introduction*. Routledge Publications, London, UK.

B. Gillham (2008). *Formulating an Inquiry*. New York, NY: Continuum International Publishing Group.

Leavy, P., and S. Hesse-Biber (Eds.). (2004). *Qualitative Research Approaches: A Reader on Theory and Practise*. Oxford University Press, New York.

B.L. Mann (2006). Case Study: Styles Book Research on Web-Based Learning.

White, T., and D. McBurney (2009). Methods of Research. Belmont, CA: Cengage Publishing.

P. Powers (2001). The Discourse Analysis Methodology. Jones & Bartlett Publishers, Sudbury, Mass.

M. Saunders, P. Lewis, and A. Thornhill (2007). Prentice Hall Financial Times, Harlow, 4th edition, Research Methods for Business Students.

U. Sekaran (1992). A Skill-Building Approach to Business Research Methods. John Wiley & Sons Inc., Brisbane, 3rd edition.

Yin, R.K. (2003). Design and Methods of Case Study Research. 3rd ed. Sage Publications Inc., Thousand Oaks.

Yin, R. K. (2009). Design and Methods of Case Study Research. Fourth Edition. Sage Publications, California.

W. Zikmund and B. Babin (2012). Marketing Research Fundamentals. Publication by Cengage Learning.

#### Section 4:

Bohari, A., Hin, C., and Abdul Kadir, K. (2012). An analysis of Malaysian Small and Medium Enterprises' (SMEs) strategic planning throughout the post-economic downturn period, with a focus on the strategies they used. published on pages 51–59 in Volume 2(8) of the Asian Journal of Business and Management Sciences.

A. Hunjra (2011). Various factors impact the profitability of small and medium-sized businesses (SMEs). printed on page 20 of the International Journal of Business and Social Science, volume [Not stated].

Judge, T., Kosalka, T., and Piccolo, R. (2009). A thorough examination and theoretical enlargement of the leader trait paradigm are provided in Evaluating Leader Traits. Originally published in Volume 20, Pages 855–875, of The Leadership Quarterly.

P. Julien and C. Ramangalahy (2003). 'An Empirical Investigation of the Impact of Export Information Search and Competencies on Competitive Strategy and Performance

of Exporting SMEs.' Volume 27, Number 3, pages 227-245. Published in Entrepreneurship Theory and Practice, Volume 27, Number 3, pages 227-245.

T. Lkhagvasuren and H. Xuexi (2014). 'Analysis of the Returns of Mongolian Small and Medium-sized Enterprises.' Volume 2, Number 3, pages 41-47 of the Journal of Finance and Accounting.

C. Wang, E. Walker, and J. Redmond. 'The Importance of Owner Motivation in Explaining the Lack of Strategic Planning in SMEs.' Volume 12, Number 1, pages 1-16 of the International Journal of Organizational Behaviours.

Section 5:

In a study titled "The effect of competitive strategies and organizational structure on hotel performance," Tavitiyaman, P., Zhang, H., and Qu, H. (2012) investigated how these factors affected hotel performance. The findings were published in the International Journal of Contemporary Hospitality Management (Vol. 24, Iss. 1, pp. 140–159).