Managerial Strategy Implementation for Growth: 
Small Businesses in Canada

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ABSTRACT

Title: Managerial Strategy Implementation for Growth: Small Businesses in Canada

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Aim: This study analyzes the managerial strategies that Canadian small business owners are implementing to grow their businesses. At the same time, it compares said managerial strategies with the business’s current growth stage in order to identify a suited managerial strategy applied at a specific life-stage for the growth of their firm.

Method: The research is conducted through the interviews of ten Canadian small business owners/entrepreneurs. The interviews are semi-structured. This study applies qualitative research.

Result & Conclusions: An Innovative/Intrapreneurial managerial strategy has been found to be remarkably exercised by small companies as opposed to a simplistic, participative or adaptive strategy. Comparably, an ‘innovative perspective’ is observed uniformly throughout all the involved small businesses. A model was created to illustrate the managerial strategies that are recommended as best suited for the growth of the small business in every stage. The concluding results are: Stage 1-Innovative strategy; Stage 2-Simplistic or Adaptive strategy; Stage 3-Participative or Adaptive strategy; Stage 4-Innovative strategy; and Stage 5-Innovative strategy.

Suggestions for future research: Due to the geographical limitations, a cultural cross-examination is highly encouraged. A longitudinal study testing the resulting model is of substantial interest as well.

Contribution of the thesis: For managers/owners, this research serves as a tool for managerial guidance to grow your business. The results are equally applicable to all entrepreneurs yearning to start a business and grow it. The growth desire and innovation inclination found in the results contributes to the body of theories of the small business.

Key words: Entrepreneurship, small business, business growth, small business management, growth strategy, managerial strategies.
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1. Introduction

Small businesses has been defined as a business that is independently owned and operated, consisting of under 100 employees and generates less than $1,000,000.00 in annual income (Filion, 1990; Storey, 1994). Success and failure of small companies depend on a different set of variables and outcomes; they operate with fewer resources including manpower and finances in a smaller market, along with the possibility to have a greater impact on their respective communities (Gelderen, Thurik & Bosma, 2005; Storey, 1994).

The impact of these small businesses can be witnessed in countries that integrate and/or support entrepreneurial economy which have proven to be rewarded with greater growth than their counterparts (Audretsch & Thurik, 2001). In the European Union small businesses generate 60 per cent of GDP and 70 per cent of employment during the years of 2005 and 2008 (Turner, Ledwith & Kelly, 2012). Similarly, business management styles and strategies differ when it comes to the business decisions taken by an entrepreneur of a start-up company compared to a Chief Executive Officer of a Fortune 500 company (Van de Ven, Hudson, & Schroeder, 1984). Managerial discipline and strategies weighting the best approaches to stir your small business can set the stage for success (Frey, 2008). It is through business management strategies that entrepreneurs identify and implement strategies for their businesses even though they might not be aware of it (Kannan, 2013).

There is an interest for the small firm’s growth demonstrated in the entrepreneurial literature (Audretsch’ & Thurik, 2001; Dobbs & Hamilton, 2007; Hansen & Hamilton, 2011; Omri & Ayadi-Frikha, 2014; Scott & Bruce, 1987; Storey, 1994; Wiklund, Patzelt & Shepherd, 2009). Growth is the goal of every small business (Storey, 1994) and the approaches taken within the study field have been classified in: stochastic, descriptive, evolutionary, resource-based, learning and deterministic (Dobbs & Hamilton, 2007). In the same manner, the reasons why small businesses management strategies to growth are in need of research are stated in the literature as follows: 1) small businesses play a vital role in job creation for the local community. Employment is the number one benefit cited on the literature, but also small firms are leaders in innovation holding 55 percent of the innovations and 95 percent of the “radical innovations” in products, services and the tech-industry (Dobbs & Hamilton, 2007); 2) wider
economic and social considerations of small businesses and how they affect society needs to be discovered; 3) many small businesses have similar issues; 4) long term research in this area can develop better solutions for future small business owners and entrepreneurs; 5) as researchers it is vital to contribute both theoretical and empirical evidence to the topic (Dobbs & Hamilton, 2007; Storey, 1994). The main area of focus that this study will examine lays within the confines of business growth in the small business sector and what managerial strategies are used to facilitate growth.

1.1 Business Growth

Within the literature, Omri & Ayadi-Frikha’s (2014) looked into small businesses and growth from an innovation perspective arguing that human, financial and social capital resources increase the innovation of a small business, which in turn creates growth. This goal is achieved by creating a mediational model of small business growth. The Omri & Ayadi-Frikha’s (2014) study is similar to the work presented by Wiklund et al. (2009) in the application of the same theoretical perspectives: human capital, financial capital and social capital. In spite of this, Wiklund et al. (2009) expresses the difficulty to review and compare all the variables inside these small business theoretical perspectives to growth. The theoretical perspectives used in relation to business growth were entrepreneurial orientation, the environment, strategic fit, resources and growth attitude.

Similarly, Hansen & Hamilton (2011) identified the factors that distinguish a small growing business from their counterparts. Unlike Wiklund et al. (2009), but at the same time similarly to them, Hansen & Hamilton’s (2011) research gave credibility to the former one in their findings. The four major factors contributing to the small business growth are: the opportunistic environment, controlled growth ambition, culture of innovation and flexibility, and the use of networks (Hansen & Hamilton, 2011); all of which belong to the variables used by Omri & Ayadi-Frikha (2014) and Wiklund et al. (2009). Finally, both Scott & Bruce (1987) and Storey (1994) state the relevance of growth in small firms. In both researches the “growth” stage is related in one way or another to the management strategies and/or managerial experience of the owner. In the “Five stages of small business growth” (Scott & Bruce, 1987) the managerial style is already pre-determined according to the firm “stage” as individualistic, administrative, coordinate, professional administrative and watchdog.
1.2 Managerial Strategies in the Literature

Managerial strategies are a consistent element in most entrepreneurial and small firms growth studies (Audretsch’ & Thurik, 2001; Hansen & Hamilton, 2011; Omri & Ayadi-Frikha, 2014; Scott & Bruce, 1987; Storey, 1994; Tell, 2012; Wiklund et al., 2009) thus showing their collaboration to growth. The strategic management perspective applied in the literature connotes the owner/manager’s techniques of management and policies to develop and stir their business which in turn is translated into managerial strategies (Dobbs & Hamilton, 2007; McMahon, 1998). The common growth-inducing factors found in the small business literature are: Growth objectives, employee recruitment/employee training, product market development, financial resources, internationalization and partnerships and flexibility (Dobbs & Hamilton, 2007). The managerial strategies needed for a small business are indeed different from a large company; they both require a unique management style and strategy to develop (Carland, Hoy, Boulton, & Carland, 1984). Although the management strategies literature is broad (Dobbs & Hamilton, 2007; Kannan, 2013), Tell (2012) chose to support his research about strategic management behavior in small manufacturing firms with the four strategies developed by Lumpkin and Dess in 1995, which are:

1. **Simplistic strategy:** Characterized by a lack of variety in management behavior. Narrow focus of attention, taking care of only a few activities at a time.
2. **Participative strategy:** Not dominant personality. The manager encourages collaboration with the people they work together with.
3. **Adaptive strategy:** Highly focused on customers’ needs and feedback.
4. **Innovative/intrapreneurial strategy:** Major focus on product development and innovation. The manager tends to be more involved in all the activities related to the business. Dominant personality.

According to the author these stages are a good fit for studying small businesses managerial strategies due to the ease of understanding and completeness of the variables. The study results are consistent with the rest of the literature (Audretsch’ & Thurik, 2001; Hansen & Hamilton, 2011; Omri & Ayadi-Frikha, 2014; Scott & Bruce, 1987; Storey, 1994; Wiklund, Patzelt & Shepherd, 2009) pointing out the fact that strategy plays an important role in business growth but especially in the early stages. Managers have great power through strategy-making
activities (Metts, 2007). This trend is due to the fact that growth is usually present across all stages of business growth, the difference relies in the amount of growth experienced and in what stage the small firm is found, for instance for how long a firm can maintain a certain amount of revenue or increase/decrease said revenue (Baum, Locke & Smith, 2001; Scott & Bruce, 1987).

1.3 Purpose

Small companies lack resources and present certain difficulty to develop competences and experience needed to perform in the same way as a large company (Gottfridsson, 2014; Storey, 1994). Variables such as human, social and financial capital show a positive relation to growth (Omri & Ayadi-Frikha, 2014; Wiklund et al. 2009) from which the interest is placed in the role that the management plays in the growth of a small business. The growth variable is constant throughout the entrepreneurial literature for small firms, nonetheless there’s a lack of research in this field. This shortcoming has been attributed to the segmentation of theories implying that several theories have emerged but only a few of these are relatable with each other (Dobbs & Hamilton, 2007; Hansen & Hamilton, 2011; Omri & Ayadi-Frikha, 2014; Storey, 1994; Wiklund et al., 2009); thus motivating the need for more relatable studies regarding small businesses growth. A great amount of concern has been given to the methodology applied to the small business field arguing that if the field of inquiry is to flourish, a critical perspective is of imperative use challenging the normative and ideologies already done (Blackburn & Kovalainen, 2009; Curran & Blackburn, 2001), consequently showing once more the literature gap for analytical studies about management and growth within the small business sector. The field is in need of theories and methods that integrate a broad scope but with a narrow focus presenting “growth” as one stage in a large process of small business development (Dobbs & Hamilton, 2007).

Secondly, a relationship between managerial strategy and growth is mentioned inside these studies (Audretsch’ & Thurik, 2001; Dobbs & Hamilton, 2007; Hansen & Hamilton, 2011; Omri & Ayadi-Frikha, 2014; Scott & Bruce, 1987; Storey, 1994; Tell, 2012; Wiklund et al., 2009), confirming a robust relation between these two specific variables (management and growth). However this subject is not approached in detail in any of the mentioned studies with the exception of Tell (2012) and Dobbs & Hamilton (2007). Tell (2012) explores the
managerial strategies of small manufacturing companies in Sweden with the aim to identify why some small companies grow while others do not by observing their management strategies. On the other hand, this study is based in observations, shaped exclusively after the manufacturing industry.

The context-oriented nature of entrepreneurship makes the entrepreneurial research heterogeneous and context-oriented to the extent that some authors discourage the utility of models within the literature (Blackburn & Kovalainen, 2009; Hansen & Hamilton, 2011). Instead, this study focuses on the four “strategy-making” processes used by Tell (2012) to identify the most suited managerial strategy to promote growth within the small businesses.

Therefore, parting from the five stages of small businesses growth (Inception, Survival, Growth/Success, Expansion/Take-off and Maturity), developed by Scott & Bruce (1987) and focusing on the managerial aspects of these stages, the aim is to identify the most commonly applied managerial strategy in small firms using Tell’s (2012) managerial strategies; and which one of these managerial strategies would be considered the most effective given the stage of their businesses [using the five stages of small business growth by Scott & Bruce (1987)]. To our knowledge this is a new perspective due to the lack of variable-specific studies related to the small business literature as well as the contribution to the entrepreneurial literature where entrepreneurs are always looking the best approaches to start, manage and grow their ideas.

1.4 Aims and Research Questions

The aim of this study is to analyze managerial strategies that small business owners are implementing to grow their businesses. A part of this objective is to compare the managerial strategies with the business’s current growth stage. This will help to identify a suited managerial strategy at each growth stage for the success of their small business. Based on the information provided in the literature and the gap that was discovered, two research questions can be formulated:

- What kind of management strategy is recommended for the growth of small businesses?
- What managerial strategy is suitable in each stage of growth?
1.5 Limitations

This study is limited to the small business sector and more specifically to the opinions collected from the participating companies. The opinions and perspectives of each company could be affected by the product or service offered or industry, marketplace or region of business being operated. This is important to keep in mind when applying the managerial strategy model to your business, since the small business sector can be varied and unstructured.

Secondly, the study approach is answerable to the qualitative research which subjects the study to it is innate limitations such as anonymity and narrow sample size. Perhaps, the geographical limitations might as well pose a boundary for the study. All the participating companies are confined within the Canadian borders and their managerial characteristics are therefore shaped by their surrounding environment.

The resulting model of this study is constructed after the findings and analysis provided by the authors and is not meant to be a ‘two plus two equals four’ type of diagram; and its use extends to every small business in every serviced market. It is worthy to consider that the small business literature is contingent meaning that they depend on both internal and external circumstances. Since the study has an area-specific nature, it is not meant to be applicable to larger companies or to be taken as a “one-size-fit-all” type of research.

1.6 Disposition

The research structure starts with a brief introduction to the managerial and entrepreneurial subject defining small companies, the growth process, and management theories followed by the problem formulation and research questions. Limitations and constraints are also mentioned in this section. After this, a theoretical review is performed as a base for comparison with the empirical study (interviews) and then moving on into the analysis and findings. Finally, comments and conclusions will be drawn in order to provide answers to the research questions.
2. Theoretical Framework

In this section, the relevant and supportive theories are thoroughly explained to develop a base of knowledge for our study.

2.1 Small business

2.1.1 What is a small business?

In order to conduct research on small businesses, a defined categorization of what a small business actually is must first be in place, and how a small business owner is the same or different from an entrepreneur. The “small business” definition this research utilizes is a combination of definitions by authors such as Carland, Hoy, Boulton & Carland (1984), Scott & Bruce (1987), Filion (1990), and Storey (1994). For the purpose of this research, the definition of a small business refers to a venture which is a business that is independently owned and operated, areas of operations is mainly local (markets need not be local), with an underlying principle of profitability and growth, characterized by innovative strategic practices (Carland et al., 1984; Scott & Bruce, 1987). This definition of a small business is best suited for this research as it encompasses the main points of all other definitions discovered and provides excellent quantifiable features of which the research can determine if a business can be classified “small” or not. In terms of size and revenue generated, this research considers small businesses as consisting of fewer than 100 employees, independently owned and operated, and generates less than $1,000,000.00 in annual income (Filion, 1990; Storey, 1994). This definition fits with Canadian description of small businesses (Chandler, 2012). The term small business will be used interchangeably with small firm, small company, small organization and entrepreneurial venture; they have similar characteristics and for the purpose of this research have little to no distinction.

2.1.2 Role within the economy

Despite seeming insignificant, small businesses actually play a vital role in economies, on a large scale (Storey, 1994). Small businesses play a vital role in job creation, in innovation and have a direct impact on the economy in general (Storey, 1994). In Europe, small businesses make up over 95% of all business organizations (Storey, 1994). In the USA, small business account for closer to 98% of all US businesses, they employ the greater half of the US workforce, as well as 60% of the GDP is generated by small businesses, with small businesses
creating over half all new US jobs (Shanker & Astrachan, 1996). Small businesses have been having this big of an impact on the US economy and job creation for over twenty years, with data from 1992 showing that in the US there were 5.7 million business with employees, and only about 14,000 of those companies employ over 500 employees (Graham, 1999). Similarly in Canada, 99% of business has less than 500 employees employing 64% of Canadian workers in the private sector. This small business account for 30% of Canada’s GDP and creates 78% of new jobs in the private sector every year (Chandler, 2012).

Small businesses are the economic vehicle upon which new products and processes within industries (Wennekers & Thurik, 1999). Entrepreneurship within the small business context is the driver for not only competitiveness, job creation and economic growth, but for personal development and in some cases the resolution to many social issues (Wennekers & Thurik, 2004). Carlsson (1999), proposed two explanations for the reason behind the economic power of small businesses. The first explanation is the fundamental change that the global economy underwent from the 1970s onwards, global competition intensified, uncertainty increased and market fragmentation grew tremendously (Carlsson, 1999). The second explanation is the change of character of technological progression; the increase in flexible automation shifted the economic focus from larger firms to smaller firms. The changes of the world economy, the technological development, and diseconomies of scale all led to solidifying small businesses as the foundation to all national economies (Carlsson, 1999).

2.1.3 How does a small business differ from a large business?

After researching how small businesses produce such a large impact on national and global economies, it is important to understand and comprehend the differences that make small businesses unique compared to large businesses (firms that are larger than 100 employees are, are not independently owned and operated, generate excess of 1,000,000.00 USD per year etc.). These key financial and management differences between small businesses and large businesses may lead to some competitive advantages and disadvantages to small businesses. Small businesses and large businesses possess different resources and capabilities, which give each their own prospective advantages and disadvantages. Small businesses excel at the ability to occupy niche markets or have selective market focus (Dean, Brown & Bamford, 1998). Small businesses are much more flexible compared to larger businesses and can seek out the
niche markets that are too small for large firms or not worth the effort. This strategy avoids market confrontation with larger firms, who have much more resources at their disposal (Dean et al., 1998). Smaller firms are more flexible, quicker and organic compared to their larger counterparts due to their streamlined operations, simple organizational structure, and the more entrepreneurial risk taking managerial style. This can lead to a quicker response to market changes or customer needs (Dean et al., 1998).

Larger firms, however, can capitalize on advantages much quicker than small businesses, they can acquire market share, exploit economies of scale, patents in both production and research and development (Dean et al., 1998). Their larger pools of resources allow them to reduce costs in all areas of business operations and, exert bargaining power over suppliers and customers, dominate the market through leadership in market pricing, and are better able to absorb shocks of change in industry and market downturns (Porter, 1985).

From a financial aspect, small businesses have no publicly traded securities, small business neither have debt or stock that is traded publicly, they do not have to prepares market valuations, little to no information reporting is necessary, this makes it so small businesses have fewer sources of financing (Ang, 1991). Small businesses have increased liability compared to larger companies; owners are not protected against personal losses from business failure in the same way as large company managers and owners are (Ang, 1991). This makes small business owners more prone to risk taking, with their personal wealth, reputation and long hours all invested into their small businesses, the owners make strategic decisions that are higher risk and higher return potential compared to managers of large companies (Ang, 1991). A major disadvantage however, that most small businesses management’ teams are not complete or as experienced as those of larger companies, they lack depth and versatility, they provide on single or a few key individuals to provide technical skills, customer contact and leadership (Ang, 1991).
Table 1. Difference Between Small & Large Businesses

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Small Business</th>
<th>Large Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>&lt;100 employees</td>
<td>&gt;100 employees</td>
</tr>
<tr>
<td><strong>Ownership</strong></td>
<td>Independent</td>
<td>Independent or Dependent</td>
</tr>
<tr>
<td><strong>Annual Revenue</strong></td>
<td>&lt;1,000,000.00 USD or 6,000,000.00 SEK</td>
<td>&gt;1,000,000.00 USD or 6,000,000.00 SEK</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>Niche or select markets</td>
<td>General and large markets</td>
</tr>
<tr>
<td><strong>General Strategy</strong></td>
<td>Flexible, organic, adaptive, entrepreneurial, risk taking</td>
<td>Economies of scale, price leadership, bargaining power</td>
</tr>
<tr>
<td><strong>Financials</strong></td>
<td>No publicly traded securities</td>
<td>Capital from public stock</td>
</tr>
<tr>
<td><strong>Liability</strong></td>
<td>Increased liability</td>
<td>Limited liability</td>
</tr>
<tr>
<td><strong>Management Teams</strong></td>
<td>Single or minimal, incomplete, lack depth and versatility</td>
<td>Experienced, versatile, many different teams or departments</td>
</tr>
</tbody>
</table>

Source: (Ang, 1991; Chandler, 2012; Dean et al., 1998; Porter, 1985)

2.1.4 Internet impact on small business

Globalization, the internationalization of trade and capital flows, the distribution of goods and services and of the production, has had a significant impact on the way that small businesses start, manage, market, create and sell products and exist (Graham, 1999). This has been in part due to technological improvements, in particular the internet and mobile devices, and small businesses having a greater global outlook rather than a local one, as well as government policy initiative in developed and developing countries (Graham, 1999). Small businesses can now compete on some of the same playing fields as larger businesses, what once gave large businesses large advantages of smaller firms have now been equalized with the use of the internet in the business environment (Poon, 2000). Small business owners have used the internet, as an effective communications vehicle, document and file transfer systems, and as an advertising channel and platform, all of which have vastly reduced operation cost (Poon, 2000).

The adoption from brick and mortar commerce over to e-commerce by small firms has led to small businesses offering products and services, either alongside their existing shops or exclusively via the internet, a better way to communicate with suppliers, customers and
employees, or existing solely online entirely (Daniel, Wilson & Myers, 2002). It has led to customer and supplier relationships being reshaped, with the total value of e-commerce exceeding 400 billion USD in 2002 (Daniel et al., 2002). With fewer resources needed to start, manage or operate a small business via the development of the internet, small business owners who wish to grow their current business will undoubtedly incorporate the internet to help them achieve their goals.

2.2. Managing small businesses

2.2.1 Managerial Style

By definition “Management theory” is a body of thought attempting to both explain and improve the administration of businesses and all areas relating to it. In the same manner, a variety of theories regarding the managerial aspects of businesses aroused with the purpose of solving the “principal-agent” problem which states that the interests of the individuals in an organization differ from one another, therefore creating a need for a method/strategy to ensure that everyone in the organization works for the greater good. (Wilson, 2014)

Wilson (2014) continues to explain some of these relevant management theories such as the “scientific management” theory developed by Frederick Taylor in 1947 who emphasized time and motion studies by specializing workers to operate in one small part of the manufacturing process. This management style consisted of written manuals and intensive training of workers to ensure best performances. Although this theory was well-known, it was argued that this type of management style is dehumanizing and only provokes inefficiency. Other managerial theories aroused instead where the focus is based on the employee satisfaction, involvement and communication (e.g. Maslow & McGregor; Peter Drucker and Edwards Deming stated in Wilson, 2014).

Within the continuous development of management theories, the ‘management innovation’ theory has been gaining attention (Basile & Faraci, 2015). According to the same authors, management innovation consists of the creation and implementation of a strategy, structure, practice or technique that has not been applied before in order to fulfill the company’s goal. Similarly, Hagen (2012) discusses the theory of ‘managerial coaching’ where the focus is
placed on giving guidance and support along with feedback to the employees. The author continues to state that this method has been proven to have positive results in the employees’ performance when implemented through a job performance management strategy.

### 2.2.2 Managerial Strategies
Managerial strategy refers to the focus placement upon the strategic achievement of sustainable growth and how to respond to both business and personal environment changes (McMahon, 1998). The managerial strategy literature attributes success to the management strategies applied in the small business suited for the environment they operate in. On the opposite, if the firm experienced no growth, then a lack of management planning is suggested as one of the reasons. (Dobbs & Hamilton, 2007; Tell, 2012) On the same note, ‘managerial myopia’ influences the strategy of the firm creating conformity (spatial myopia) and hindering innovation (temporal myopia). Spatial myopia refers to the lack of awareness regarding the utilities of technologies and markets that are not directly related to the firm, which in turn leads to poor investment decisions. Similarly, temporal myopia focuses on current firm’s issues and ignores the bigger picture. This leads to disregarding long-term opportunities that are more risky to the firm. (Ridge, Kern & White, 2014)

There are two main approaches for the small firm management theories presented by Chaston (2009) which are: 1) Theories based on the adaptation of large firm management strategies into the small firm sector and, 2) theories based on specific management practices isolating the unique factors already proven to affect small businesses. The first one poses a broad perspective while the second one is more focused. Regardless of this, Chaston (2009) proposes that there is a variety of factors that has to be taken into consideration when deciding which managerial strategy path to take, hence:
Chaston (2009) states in his book “Entrepreneurial management is small firms”, through the work of Cavanagh & Clifford in 1983, that small firm’s success is usually obtained via the exact strategy of occupying a specialist niche in order to avoid competition from larger companies or in other words a “niche strategy”. In addition, the Cavanagh & Clifford’s study in 1983 confirmed that these small firms should not compete in terms of price, but on differentiation instead. This means that the implementation of a differentiation strategy focusing on product or service development is preferred. This superior value is reached by customer relations and the usage of customer insights which include maintaining the inventory close to the customer location, offering free technical support and training the employees with a consumer-mind focus (Chaston, 2009). Nonetheless, once the small firm notices that their chosen niche is becoming saturated, their growth is no longer sustainable due to the decreased demand in the market and the only strategy left is to focus on the development of the firm’s core skills as a tool for further innovation (Aurand, DeMoranville, Fredericks & Smith, 2004).

There are certain factors in business management that can affect the growth of the small business (Dobbs & Hamilton, 2007):
- **“Growth objective”**: the true commitment of the manager to reaching growth is essential. Even though there are other factors such as external constraints and competition, the growth process has to start with desire and determination. If the manager wants to operate a business while maintaining the personal aspects intact, then the amount of growth acquired in the business is likely to be affected because of the ‘lack’ of commitment. Therefore, a stable growth objective is necessary to emphasize the importance of growth ensuring that decisions are going to be made with the growth objectives in mind (Dobbs & Hamilton, 2007).

- **“Employee recruitment and development”**: One of the biggest contributions of small business is the creation of employment (Dobbs & Hamilton, 2007; Gottfridsson, 2014; Turner et al., 2012). Forming a capable workforce is required for successful business management. Storey (1994) also attributes employment and development to increase firm size. In the same manner, managers have the need to develop their capabilities as leaders by both satisfying the business needs and their employees’ needs.

- **“Product market development”**: High growth is related to a certain strategy referred as ‘differentiation strategy’ (Cavanagh & Clifford, 1983; Chaston, 2009; Dobbs & Hamilton, 2007) this is attributed to the fact that small firms have scarce resources (Gelderen et al., 2005; Gottfridsson, 2014; Storey, 1994) and therefore is recommendable for them to focus on innovation, making a product and market managerial strategy necessary for sustainable growth. A manager who prioritizes new technologies, markets and competition and research and development (R&D) has higher chances of introducing new products and in consequence develop innovation, which turns into growth (Dobbs & Hamilton, 2007).

- **“Financial resources”**: Money is a powerful component for small business growth. Even though there are a number of alternatives for managers to finance their businesses the most relevant decision in terms of financing is whether or not to opt for external equity finance in return for part ownership of the business. This decision is relevant in the sense that if the manager decides to give part ownership, the ‘growth objective’ managerial style is bound to be different due to the influence of two managers and therefore affecting the growth of the business. On the other side, access to finance is more difficult for small businesses when the level of uncertainty of the business is very high making the risk assessment difficult for lenders.
“Internationalization and business collaboration”: It is difficult for small firms to export (Storey, 1994). However, giving your product or service the ability to reach new geographic markets provides opportunities for growth. The sole firm’s export behaviour can be a robust indicator of the firm’s desire and ability to grow. Similarly, collaborative relationships such as joint ventures, networks, alliances, trade associations, etc. open the doors to various resources, managerial talent and intellectual capabilities, therefore helping growth (Dobbs & Hamilton, 2007).

“Flexibility”: Since small firms employ a narrower range of activities, materials, employees and skills than their counterparts, it is necessary to be flexible to reach success and growth. The anticipation of the business environment is also demanding in the small firm along with the ability to respond in a flexible manner to these changes (Dobbs & Hamilton, 2007).

Tell (2012) uses a strategic perspective into his research, acknowledging that managerial strategies and the environment can improve the firm’s performance. Similarly, Metts (2007) study also states the mitigating role of managerial strategies in small firms through strategy-making activities. Strategy making has been explained in three dimensions: rationality, interaction and assertiveness (Miller, 1987; Metts, 2007). The rationality dimension is divided in two schools of thoughts: the synoptic school and the bounded rationality model. The first one is characterized by the thorough analysis of problems and opportunities as well as the planning of interconnected strategies; meanwhile the second one focuses on less analysis and more action, therefore taking decisions on-the-spot (Metts, 2007). The second school of thought has been determined to be the most suitable for informal organization environments such as the small firms in which the environment is uncertain forcing the managers to take visionary approaches and to be flexible (Von Gelderen, Frese & Thurik, 2000; Dobbs & Hamilton, 2007; Metts, 2007; Hansen & Hamilton, 2011). The next strategy-making dimension called ‘interaction’ refers to the discussion, bargaining, and consensus building in a company’s decision making processes. Nonetheless, small firms tend to lack interaction because single decision-makers usually give the orders. Finally, the third dimension refers to ‘assertiveness’ meaning the level of risk and the reactiveness or proactiveness of decisions which is also highly dependable on the firm’s complexity and situation (Metts, 2007).
The four strategy-making processes developed by Lumpkin & Dess (1995) also represent the dimensions of strategy-making explained above (Metts, 2007 after Miller, 1987). Lumpkin & Dess (1995) model for strategy-making is divided in four approaches: simplistic, participative, adaptive, and innovative/intrapreneurial. The relevance of ‘simplicity’ as a strategy-making process is the main focus of their study which was found to have beneficial results in performance during the early stages of the firm except once the organization grew past maturity, and then the results turn unfavorable. The four strategy-making processes used by Tell (2012) and adapted from Lumpkin & Dess (1995) are as follows:

1. ‘The simplistic strategy’: Simplicity is defined as an attachment to the same aspects, strategies or things that provided success to the small business in the beginning of it is life cycle. Firms under a simplistic strategy are submerged in one single goal or one single strategy and even one single department. Therefore applying a simplistic strategy after certain stages of growth can deteriorate firm’s performance and inhibit effectiveness (Lumpkin & Dess, 1995). This strategy has a low variance behavior meaning that the manager will focus on a few issues in the firm causing him/her to neglect important factors, which in turn reveals a narrow focus of attention (Tell, 2012).

2. ‘The participative strategy’: This strategy portrait is a collaborative and participative management style. This also implies that the managers of such strategy are leaning leaders reflecting a close relationship with their employees when dealing with decision/making and exerting no dominance. This is highly advantageous for small firms since the manager might not have all the answers (Kanan, 2013). This strategy provides the organization with new ideas and promotes critical discussion of decisions. Plus, it can serve as shield from changes in the environment since more ideas and opinions are likely to arise in order to properly handle these changes (Tell, 2012).

3. ‘The adaptive strategy’: This is also called the ‘reactive’ strategy due to it is focus on customer and supplier needs. The core of this strategy lies in the direct communication between the manager and the people outside the firm. The manager has an outside focus meaning that most of the time is spent dealing with activities related to the customers and suppliers. Continual company adaptation and making changes according to the feedback received is a core part of this strategy (Tell, 2012).
4. ‘The innovative/intrapreneurial strategy’: Intrapreneurship is the process by which an individual or many individuals in conjunction with another organization either creates a new firm or encourage renewal and innovation within that organization. Basically, it searches and creates businesses, develops pioneering new products, services and processes to create growth through innovation (Felício, Rodrigues & Caldeirinha, 2012). This strategy is based on innovation and intrapreneurial activities. Mainly based on strategic development related work and product development. The managers partaking in this strategy have an external focus which is characteristic of a dominant leader. Most managers using this strategy are the most likely to adopt risks (Tell, 2012).

2.3. Growth in business

2.3.1 What are the factors for growth in business?

Business growth is the action taken to improve some aspect of a business’ success, either financially or company size (Steinmetz, 1969). Interest in business growth research came to a head after the worldwide economic recession of 1989-1991, with bountiful economic theories, interest lay on the linkage of these theories and the reality of business formation, growth and decline (Davidsson, Kirchhoff, Hatemi–J & Gustavsson, 2002). Empirical research has shown that location, legal form, age, size and industry are all related to business growth rates and these relationships have been consistent from nation to nation (Davidsson et al., 2002). Age and growth have shown to be the factors that are most significant to growth, with older firms growing more slowly than younger firms and small firms growing at faster rates than larger firms (Storey, 1994). Growth rates can differ for different industries and/or markets, firms with limited legal liability grow fast and firms in locations of slim markets or scarce resources will grow slower than firms in better locations (Storey, 1994).

Growth in a small business can be defined by many factors such as the entrepreneur’s characteristics, the firm it itself and the strategy used to manage it. It is through the combination of these three factors that the small firm can witness rapid growth (Hansen & Hamilton, 2011; Storey, 1994). Similarly, growth can also be defined as the creation of wealth (Obeng, Robson & Haugh, 2014). Obeng et al. (2014) identify the three main theories of small firm growth that attempted to give the term significance within the literature: Penrose’s resource-based theory in 1959, states that growth can be influenced by the amount of resources
available, therefore growth can be defined as the amount of resources acquired that helps the firm create opportunities for expansion. The second theory called ‘noisy selection’ created by Jovanovic (1982), states that growth is the result of efficiency, while inefficient firms are destined to decline and fail. The existing variety of firms’ size is not random, but rather a consequence of some firms being more efficient than others. Thus, growth in the small firm is the result of efficient management; without it, there is no growth (Jovanovic, 1982). Finally, the third theory refers to Storey’s work in 1994 where the author compile all the research done till the time and develop a model for growth based in the entrepreneur’s characteristics, the firm and the firm’s strategy. Because of it is completeness and clarity, Storey’s (1994) model became one of the most influencing and prevalent model for the small business growth literature (Obeng, Robson & Haugh, 2014).

Further, while growth offers the opportunity for financial gain, it also increases a firm’s chance of survival (Davidsson and Delmar, 1997; Taylor and Cosenza, 1997). One study by Phillips and Kirchoff (1989) found that young growing firms were twice as likely to survive compared to those who were not growing. In addition, the larger the firm is the more developed the managerial formalization of it becomes (Tell, 2012). Accordingly growth is seen as a way to both improve and protect the income of firm owners.

2.3.2 Difference of growth in a small business compared to a large business

It has been stated that all businesses pass through different stages to reach growth (Baum et al., 2001; Scott & Bruce, 1987). The difference between large and small firms growth is that “growth” it itself is more noticeable in small firms than in large firms because “large firms” have reached what it is referred as the fifth stage of growth or “Maturity”. In this stage the growth can be perceived as declining and the managerial aspects of the company are set and experienced increasing their chances of survival from the “crises” that arise as explained by Scott & Bruce (1987).

Hansen & Hamilton (2011) also explain that larger firms are likely to define growth by partaking in mergers and acquisitions. Meanwhile, for small firms the “growth” variable encompasses more factors such as: personnel and physical establishment (Omri & Ayadi-Frikha, 2014; Storey, 1994). The measurement and definition of “growth” has been a subject of debate within the literature (Blackburn & Kovalainen, 2009; Curran & Blackburn, 2001; Dobbs
& Hamilton, 2007) nonetheless, growth is a more serious issue for small firms than in large companies because it is through growth that a company can survive (Hansen & Hamilton, 2011).

### 2.3.3 Stages of growth in a small business

When this research utilizes the term “growth”, it is in the effect of an existing small business and their attempts to increase the size of their business in terms of number of employees, revenue and profit (Scott & Bruce, 1987; Lewis & Churchill, 1987). This research will be utilizing the “Five Stages of Small Business Growth” proposed by Greiner (1972) and developed further by Scott & Bruce (1987) and Churchill & Lewis (1987). This model has been developed and refined in order to characterize and highlight the common problems arising at similar stages in small business development, despite small business varying in size, capacity for growth, independence of action, differing organization structure and range of business model (Churchill & Lewis, 1987). This framework has been able to assist in anticipating key requirements for managerial strategies in assessing the current challenges that small businesses face.

The five small business growth stages in the model are Existence or Inception, Survival, Success or Growth, Take-off or Expansion and Maturity (Greiner, 1972, Scott & Bruce, 1987; Lewis & Churchill, 1987). Each stage within the model has a different and sometimes unique, top management role, overall management style, organizational structure, varying degree of product and market research, varying degree of systems and controls, different sources of finance, varying levels of cash generations, varying levels of investments and supply chain management (Scott & Bruce, 1987). The authors suggest that small businesses all begin at the first stage and in order to move from stage to stage, a crisis or a major shift in business management, structure or environment must occur (Greiner, 1972). The authors emphasize that despite a business being able to fail at any given stage of their growth, business failure is most likely to occur during one of the crisis points. The model is shown as a linear model below in figure 1. However, it must be noted that this model is a general model for small businesses on a broad scale, the shape of the curve and the speed at which the firm, moves through each stage varies from each small business to the next (Scott & Bruce, 1987). This model exemplifies the relationship between the size of a firm, time and the stages of growth it may undergo, and
assumes that a company must either grow and go through each and all of these stages or die in their attempt to do so (Churchill & Lewis, 1987).

*Figure 2. The Greiner Model of the Five Stages of Growth*

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception</td>
<td>Survival</td>
<td>Growth</td>
<td>Expansion</td>
<td>Maturity</td>
</tr>
</tbody>
</table>

*Source: (Greiner, 1972, p.41)*

**Stage 1 of Small Business Growth - Inception/Existence Stage**

At the beginning stage of the growth stages, small businesses face such problems like delivering the product or service to the desired customers or even simply obtaining customers (Churchill & Lewis, 1987). The main efforts will be based around developing a commercially viable product or service and establishing it in the marketplace (Scott & Bruce, 1987). The business, at an organizational level, is a simple one, the owner plays many roles at once, there are minimal systems or planning, if any at all, and the main companywide strategy is to simply continue existing (Churchill & Lewis, 1987). The most likely crises to occur in this stage to carry businesses to the next stage are emphasis on profit, administrative demands or increased activity and it is demands on time (Scott & Bruce, 1987).
Stage 2 of Small Business Growth - Survival Stage

If small businesses have made it through the first stage they have demonstrated that they are a workable business entity and can handle the demands of a basic market structure (Churchill & Lewis, 1987). There exists enough customers to maintain the business and they satisfy them sufficiently, at this stage the problem shifts from one of existence but to one of relationship management between customers, revenues and expenses (Churchill & Lewis, 1987).

Stage 3 of Small Business Growth - Growth/Success Stage

At this stage of the small businesses growth, they have accomplished a modest level of profitability, not enough to generate a large income for the owner, the owner must then decide to expand the business further or to maintain the level of success, keeping it stable (Churchill & Lewis, 1987). The owner can either use the company as a base or platform to grow further or as a means of support for the owners or to partially disengage from the business (Churchill & Lewis, 1987). At this stage, the most likely crisis to occur is entry of a competitor, often a larger one with more resources and greater scales of economies, putting a pressure on price (Scott & Bruce, 1987). Another crisis that may occur is the small business may or may not be able to financially or managerially handle the growth or expansion of production (Scott & Bruce, 1987).

Stage 4 of Small Business Growth - Expansion/Take-off Stage

At this stage of operations, key problems begin to occur managerially on how to grow and financially, how to finance that growth (Churchill & Lewis, 1987). There is a need to systemize administrative functions and create structured processes in order to survive this stage (Scott & Bruce, 1987). At this stage, company politics may begin to usurp for the first time, managers are no longer casual but rather deemed professionals, experienced and specialist staff are brought on board to facilitate the organizational change (Scott & Bruce, 1987). The most likely crisis are often the need for external focus, intensified competition may lead to a turbulent market and environment which increase the need for the business to be proactive and anticipatory in nature (Scott & Bruce, 1987).

Stage 5 of Small Business Growth - Maturity Stage
After the business and the business model have proven it is worth, control of the financial gains brought about during the expansion stage must be consolidated while maintain the advantages of small firms which led to the success; particularly those of flexibility and entrepreneurial spirit (Churchill & Lewis, 1987). At this stage, most small businesses are on the brink of moving out of the classification of small business and unto becoming a medium or large business, main issues are expense controls, productivity, maintaining growth, increased marketing and operations upgrading or maintenance (Scott & Bruce, 1987).

2.4. Proposed Model
The proposed model for this research will be a combination of Scott & Bruce’s (1987) five stages of growth and Tell’s (2012) four managerial strategies. This model provides a suitable representation of which managerial strategy is best suited for the stage of growth that a small business is in. At each stage of small business growth, this research aims to provide evidence to support our proposed model that in during each stage of small business growth, owners and managers must adopt a specific managerial strategy to get to the next stage of growth. Once the small business managers has reached that next stage, they may have to change or adapt their existing managerial strategy to better suit their business needs in order to successfully reach the next stage of their growth. Tell’s (2012) research indicates that in small, fast growing manufacturing firms, most managers and owners applied the ‘simplistic strategy’. The author implies that this may be the most popular managerial strategy because owners find it difficult to adopt a strategy that may be different from their original and successful strategy. His findings point that these owners and managers were “stuck” and would not adjust their strategy despite needing to adopt a more flexible one. This research will determine which strategy will be best during each stage of growth. The proposed theoretical model for this purpose is displayed in Figure 3.
Figure 3. Proposed Model of Small Business Growth Stages and Strategy Making Process

Source: Authors’ own construction
3. Methodology

In this chapter the research approach, data collection and strategy methods are described in order to provide an understanding to the reader about the research process. The involved companies and interview structure are also discussed and motivated to justify the validity of the study.

3.1 Paradigms of research

The research basis is formed from two main paradigms: the systematic, scientific or positivist approach and the qualitative, ethnographic, ecological or naturalistic approach. The main division between these two paradigms is whether the methodology of the physical sciences is applicable to the study of social phenomena (Kumar, 2011). Another definition is found in the work of Bryman & Bell (2007) establishing that epistemological issues hold the dilemma of whether or not knowledge should be regarded as acceptable within a discipline. The main subject of discussion in this context is the acceptance of the principles, procedures and ethos of the natural sciences into the study of the social world (Bryman & Bell, 2007).

Both Kumar (2011) and Bryman & Bell (2007), discuss positivism as an advocate for the application of the natural (physical) methods to the social studies. On the opposite side, Bryman & Bell (2007) explain the contrasting term to positivism: interpretivism. This school of thought believes that the social sciences are fundamentally disparate from the natural sciences and therefore a different method reflecting the human distinctiveness against the natural order should be applied.

The positivistic or scientific view is present in this study due to the applied scientific methods such as pre-meditated questions and theories for the accomplishment of the study’s purpose. It’s worth mentioning that Bryman & Bell (2007, p.21) advice the researchers to not overstate these paradigms since they represent tendencies within the research instead of “definitive points of correspondence” meaning that these concepts are open to interpretation.

3.2 Research Approach

Research is explained as the process to collect, analyze and interpret data with the purpose of answering questions. Nonetheless, this process must be—to some extent—controlled, rigorous, systematic, valid, verifiable, empirical and critical (Kumar, 2011, p.7).
According to Kumar (2011) and De Vaus (2001), research is classified in three perspectives: application, objectives and inquiry mode. The application perspective is divided into pure research and applied research and it defines the research work depending on the purpose of the information gathered. Following is the objective perspective which subcategorizes into descriptive, correlational, explanatory or exploratory (Cooper & Schindler, 2003; Kumar, 2011). Finally, the last perspective concerns the process adopted to gather information and find answers to the research questions, this is called ‘inquiry mode perspective’.

From these perspectives, the inquiry mode is most applicable to our study because of the relevant role that the interviews play in this research. From the definition of research given by Kumar (2011, p.7): “research is a process for collecting, analyzing and interpreting information to answer questions.” The relationship between the data collection and the answer to the research question must be there in order to define a work as research, making this perspective more suitable for this research’s purpose than the others.

### 3.2.1 Inquiry Mode

The ‘inquiry mode’ addresses the adopted process to find answers to the research question (Kumar, 2011; Malina, Nreklit & Selto, 2011).

Within the inquiry mode, two approaches can be determined: structured (quantitative) and unstructured (qualitative) (Kumar, 2011). The difference between these two approaches relies in that quantitative research emphasizes on the quantification of the data while the qualitative research focuses on words to generate theories and the way individuals interpret their social world (Bryman & Bell, 2013, p.28).

The qualitative method is used to build concepts and reflect on theories. It should link the theory and the phenomena together being therefore subjective in nature (Malina et al., 2011). Yin (2004) defends the qualitative approach stating that due to the vivid descriptions and strategic comparisons necessary to apply this method throughout the cases, a low level of abstraction common in qualitative studies is overcome. Similarly, Bryman & Bell (2003) determine that the qualitative approach provides the author with flexibility to form and alter the research questions, as well as look into the issue from the interviewee’s perspective. On top of this, qualitative methods are better suited when the research involves cross-cultural studies.
because the cultural and social factors can be taken into consideration (Javalgi, Granot & Lejandro, 2011).

On the other hand, when the collection of the data is done wrong due to a lack of exact numbers or subjectivity—as opposed to qualitative—then the resulting data is likely to be misleading; thus posing a disadvantage for this method (Malina et al., 2011). Comparably, other disadvantages have become known, for example, Berry (2011) accentuates on the fact that qualitative research is criticized due to its non-experimental nature leaving much information to interpretation. Likewise Bryman & Bell (2003) point out the low transparency of the method since the researchers might have trouble explaining the results.

Even though a mixed approach is preferred in the literature because of the ability to investigate more complex aspects of a phenomenon (Creswell, 2003; Frels & Onwuegbuzie, 2013; Kumar, 2011; Malina et al., 2011), the focus of this research pertains exclusively to the qualitative area due to the conduction of small companies interviews consisting of open questions, therefore providing the interviewees with the ability to respond with their own knowledge without influencing their responses. In addition, in order to answer the research question, this research attempts to build on the concept and relate it to the theories, ignoring the quantifiable variables related to the business operations of the small firms. Kumar (2011) also highlights that researches applying unstructured interviews or observation as the data collection method, going through the process of describing and identifying common themes rather than subjecting the data to statistical resources, are considered qualitative studies. This makes our study qualitative.

Relating to the disadvantages found in the literature (Berry, 2011; Bryman & Bell, 2003; Malina et al., 2011), the authors of this study argue that the subjectivity issue within this type of research can be overcome through regulation of the language and the utilization of multiple sources to support our statements. Kumar (2011, p.12) clearly states that the purpose of the study determines the research approach to be taken. Therefore, given the stated purpose and research question, the qualitative method is the best suited approach since no quantifiable variables are taken into consideration in order to reach the study’s objective.
3.3. Study Design

Research design refers to the plan, blueprint or structure adopted to answer the research questions in a valid and objective manner. Its main function is to develop procedures, gather the data and to ensure the quality of these procedures for the validity, objectivity, reliability, transferability and accuracy of the study (Bryman & Bell, 2003; Kumar, 2011). Parting from this, Kumar (2011) identified three different perspectives to classify a study: The study population, the reference period of the study and/or the nature of investigation.

All of the three perspectives have sub-divisions to categorize the procedures taken in a particular study. The one applicable to this research’s aim is taken from the ‘study population’ perspective; and it is referred by Kumar (2011) as ‘cross-sectional study’. Cross-sectional studies are common in the social sciences and are useful for studies wanting to discover the commonness of a phenomenon, situation, problem, or in this case: a managerial strategy for growth. These studies are suited to provide an overall picture of the research topic at the time that the study is conducted. In addition, it is also considered one of the cheapest and simple designs, therefore easing it is understanding and data collection. In spite of that, the greatest disadvantage of this method relies in the difficulty to measure change (Bryman & Bell, 2003; Kumar, 2011). If the reader is interested in knowing how much the results have varied (if change at all) another study must be conducted at another point in time but utilizing the same population. (Kumar, 2011) This on the other hand, does not pose any effect on the validity of this study.

Opposite to Kumar (2011), Bryman & Bell (2003) focus on the quantitative side of the cross-sectional analysis, nonetheless the authors also affirm that qualitative research entails a form of cross-sectional design through unstructured/structured interviews proving that while not typically qualitative in nature, cross-sectional studies have proven to be effective with qualitative data.

3.4. Data Collection

There are two main approaches for data collection: primary data and secondary data. Primary data is first-hand gathered information through observations, interviews and questionnaires, while secondary data is information gathered from secondary sources such as documents
This study aims to obtain first-hand information through the application of semi-structured interviews with a selected sample.

It is stated that in order to properly acquire primary data, the researchers must have as much knowledge as possible regarding the study population’s interest and motivation to participate in the study. Other factors such as age, ethnicity and education level of the interviewee must be taken into consideration as well. However, the most important factor for the validity of the data is to make sure that the potential respondents are fully aware of the purpose and relevance of the study being carried for the benefit of reliability and validity of the data. (Kumar, 2011)

While the data collected is primary, the method of data collection most suitable for this research is the interview. This method has been proven to excel in complex and sensitive areas, in-depth information, supplemental information from body-language and the ability to adapt to the level of education, age and ethnicity of the population (Baxter & Jack, 2008; Kumar, 2011). In the same manner, interviews can be time consuming, the quality of the data is dependent on the quality of the interactions and answers, and the interviewer may be biased (Creswell, 2013; Kumar, 2011; Yin, 2013).

Interviews are classified in unstructured and structured. Unstructured interviews are flexible in terms of content and structure, allowing the interviewer to formulate questions and adjust the wording accordingly for the understanding of the interviewee. Similarly, in a structured interview the researcher asks already determined questions without changing the wording or the order in which the questions are asked. (Kumar, 2011). The author expresses that unstructured interviews provide more in-depth information than structured interviews, but structured interviews are better at providing uniform information which is useful to compare data. Due to the usefulness of both types of interviews, the authors of this research implemented a semi-structured style with open-ended questions, meaning that an interview schedule is used during the interview to assure that all the participants are asked the same questions to compare the data. Nonetheless, the wording and order might change and perhaps extra questions might arise during the interview to acquire in-depth information that can result beneficial to the conclusions (Bryman & Bell, 2007).
3.4.1 Participant Interviews

The research was conducted by a means of a casual semi-structured interview, either face-to-face with participants or via video conferencing over the internet. The interviews were about 20 minutes in length and contained three different sections, each with their own set of questions. In section 1, participants were asked to describe their small business with questions such as: which industry is your small business in? How many employees work for the small business? How many years has the small business been in operation? Who is your target market and how many customers does your business have? Etc. These questions confirmed their status as small business owners and gave insight to what stage of growth their small business is currently engaged in (based on their own descriptions of their company growth). These questions also aid to determine what managerial strategy they have used thus far (based on their own descriptions of their managerial strategy).

Section 2 of the interview consisted of questions pertaining to their growth and the direction they wish to take their operations. Questions in section 2 are composed of: how do you wish to grow your business? What are the biggest factors both externally and internally to accomplishing these growth goals? What is the timeframe or schedule for these growth goals? These questions enticed the small business owners to consider how they wish to grow and expand their small business.

Section 3 is made up of questions pertaining to their managerial strategies, questions such as: what kind of managerial strategy will you have to undertake to achieve your growth goals? Will you have to change or adapt your strategy as your small business grows? These questions were asked to determine their managerial strategies. These questions showed how the small business owners plan, change or adapt their managerial strategies as they move through each stage of small business growth.
### Table 2. Variables Aimed for Each Interview Question

<table>
<thead>
<tr>
<th>Questions</th>
<th>Pursued Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 1 - Company Information &amp; Background</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Question 1 | - Background on type of business  
- Product or service?  
- Which industry it operates in  
- Allows business owner to describe their business and provide general information  
- Helps determine what stage of business growth they are currently in |
| Question 2 | - Determine role of the business owner |
| Question 3 | - Ensure classification of small business by confirming less than 100 employees full-time or part-time |
| Question 4 | - Ensure classification of small business by confirming the company earns less than 1,000,000.00 CAD or 6,000,000.00 SEK in annual revenue |
| Question 5 | - Ensure classification of small business by confirming the company is privately funded or funded primarily by independent party  
- Not a franchise |
| Question 6 | - Determines how much time business owner puts into business |
| Question 7 | - Provides background on what type of small business they are |
| Question 8 | - Provides age of company  
- Helps determine what stage of business growth they are currently in |
| Question 9 | - Provides a snapshot of where the company currently is in their growth stages and will help determine which phase they are currently in  
- Helps determine what stage of business growth they are currently in |
| **Section 2 - Managerial Strategy** |
| Question 10 | - Allows business owners to describe what type of managerial strategy they implement  
- Can help classify which managerial is utilized:  
  1. Simplistic Strategy  
  2. Participative Strategy  
  3. Adaptive Strategy  
  4. Innovative/intrapreneurial Strategy |
<p>| Question 11 | - Describes managerial strategy as it pertains to their growth |
| Question 12 | - Further describes managerial strategy |
| <strong>Section 3 – Growth</strong> |
| Question 13 | - Describes growth goals |
| Question 14 | - Opportunity for growth |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Opportunity to get to next phase of growth</td>
</tr>
<tr>
<td>16</td>
<td>When does a small business become a medium or large size business</td>
</tr>
<tr>
<td>17</td>
<td>Describes business strategies to attain growth goals</td>
</tr>
<tr>
<td>18</td>
<td>Barriers to business growth</td>
</tr>
<tr>
<td>19</td>
<td>Strategies to overcome barriers</td>
</tr>
<tr>
<td></td>
<td>Further insight into managerial strategy as it pertains to growth</td>
</tr>
<tr>
<td>20</td>
<td>Strategies for reaching next phase of growth</td>
</tr>
<tr>
<td></td>
<td>Do the business owners change or adapt their managerial strategy</td>
</tr>
<tr>
<td></td>
<td>Have they adapted them in the past</td>
</tr>
</tbody>
</table>

*Source: Authors' Own Construction*

### 3.4.2 Sample Selection

The population for this study on small businesses was business owners who are in different stages of small business growth. They were under 100 employees; earned less than $1,000,000.00 CAD in annual revenue, which is the equivalent of 6,000,000.00 Swedish Krona. As previous research on small businesses mainly centered on the manufacturing industry (Scott & Bruce, 1987; Storey, 1994; Tell, 2012), this research collected data from a wide variety of industries and small business types, to reach conclusions of small businesses in a broad and general term. Ten small business owners were interviewed.
Table 3. Interview Participants

| Company 1: Timberline Ski Academy | Canada | Tourism | 2 | 3 | Yes | Video Call |
| Company 2: Edna Jean Vintage | Canada | Fashion | 1 | 1 | Yes | Video Call |
| Company 3: BluPlanet Recycling Inc. | Canada | Environment | 6 | 12 | Yes | Video Call |
| Company 4: Surex Direct | Canada | Insurance | 4 | 32 | Yes | Video Call |
| Company 5: Village Brewery | Canada | Beverage | 3.5 | 16 | Yes | Video Call |
| Company 6: Anonymous | Canada | Restaurant | 18 | 45 | Yes | Face-to-Face |
| Company 7: Kait Moffat | Canada | Digital Marketing | 1.5 | 1 | Yes | Video Call |
| Company 8: Anonymous | Canada | Digital Start-Up | 1 | 5 | Yes | Email |
| Company 9: Encompass Technologies Inc. | Canada | Trading Software | 23 | 14 | Yes | Email |
| Company 10: Chris Clark Creative | Canada | Graphic Design | 1 | 1 | Yes | Email |

*Source: Authors' Own Construction*

Table 3 presents the participating companies who were reached requesting participation via social media. The interview approach, industry, employee amount, etc. are also specified in order to provide overall information about the participating businesses. The purpose and aim of
the study was communicated to the participants before starting the interview as suggested by Kumar (2011) with the finality to conduct a successful interview. All participants are provided with the completed research results after the study was concluded.

### 3.5. Processing Data

The data collected was edited, coded and analyzed according to the qualitative research style (Kumar, 2011). This means that the interviews are transcribed to determine commonality between the answers and then these will be coded through the development of sections that helps to reach an answer to the research question. This process is also referred as content analysis (Bryman & Bell, 2007; Kumar, 2011). After this, the data is going to be classified into one of the four strategy making-processes developed by Tell (2012) and bring some light into the research question.

*Table 4. Codes for Identifying Managerial Strategies*

<table>
<thead>
<tr>
<th>Managerial strategy-making process (Tell, 2012)</th>
<th>Characteristics</th>
<th>Codes/Keywords</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Simplistic Strategy</em></td>
<td>Attachment to the same aspects, strategies or things that provided success to the small business in the beginning of its life cycle.</td>
<td>Single goal, Single strategy, Original strategy, Single issue focus, Narrow attention</td>
</tr>
<tr>
<td><em>Participative Strategy</em></td>
<td>Portrait is a collaborative and participative management style. Managers are leaning and close to their employees.</td>
<td>Collaboration, Participation, Flexibility, Strong employee relations, Collective decision making</td>
</tr>
<tr>
<td><em>Adaptive Strategy</em></td>
<td>Focused on customer and supplier needs. The manager has an outside focus meaning that most of the time is spent dealing with activities related to the customers and suppliers.</td>
<td>Customer focus, Supplier focus, Direct marketing, Outside focus (dealing with customers and suppliers), Company/product adaptation</td>
</tr>
</tbody>
</table>


**Table 4 Continuation**

<table>
<thead>
<tr>
<th>Innovative/intrapreneurial Strategy</th>
<th>New business creation</th>
<th>Partnerships</th>
<th>New product/services/processes development</th>
<th>Innovation</th>
<th>Risk-taking</th>
<th>External focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on innovation and intrapreneurial activities. Mainly based on strategic development related work and product development.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Authors’ Own Construction*

Table 4 presents the characteristics of each strategy summarized with keywords to aid with the classification of the interviews. The codes/keywords were developed by reading the characteristics and definitions provided by Tell (2012) (also see section 2.2: theory chapter) and extracting the main terms that summarizes each strategy. Lastly, the results of the “content analysis” will be integrated into the analysis section.

**3.5.1 Data Analysis**

The process applied to this research for analyzing the qualitative data is explained by Kumar (2011, p.240) in a series of steps to ensure the validity and reliability of the information throughout the process.

In qualitative studies, the analysis of the data depends on the authors’ preference for a particular writing style (Kumar, 2011). This study applies the keywords developed in Table 4 from Tell (2012) to describe each step of his strategy-making process. These keywords served as a reference to classify the businesses into one of the strategies depending on the words used to define their businesses. Synonyms of the original words used by Tell (2012) will be taken into consideration as well to classify the responses into our codes (see Table 4 for coding). In the expected case that new information is obtained, a new category of managerial strategy will be developed and added to the empirical section.

As stated above, the data will be tabulated manually by the authors and the interviews will be transcribed to provide validity to our findings.
3.5.2 Data presentation

The results are presented in written as well as in a table summarizing the two relevant parts of the research question: the managerial strategy of small business and the stage in which they are in at the moment.

According to Kumar (2011) tables are simple and prevalent when presenting data since they are able to contain great amount of information in a relative small space. The type of table presented in this research is a bivariate or cross-tabulation table in which variables such as frequent strategy and business stage are presented.

3.6. Validity and Reliability

Validity is defined as the efficiency and ability of an instrument to properly reflect the results of the subject under consideration (Bryman & Bell, 2007; Kumar, 2011; Sapsford & Jupp, 2006). This is important because it assures that the research provides adequate answers to the research question by using appropriate tools.

Bryman & Bell (2007) and Gibbs (2007) also explain the concepts of validity and reliability in qualitative research. External reliability is referred as the replicability of the study while internal reliability is the level of agreement between two observers regarding what can be seen in the study. On the other side, internal validity refers to the connection between the results and the theories used, while external validity is the generalization of the research’s results across social settings.

Kumar (2011, p.154) continues to explain the three types of validity: face and content validity, concurrent and predictive validity, and construct validity. The type applied in this research is “face and content validity” which aims to prove that the tools and procedures used to obtain the answers actually measures what is supposed to; in other words, establishing the logical link between each question and the study objective. To attain this, the authors have developed a table with the interview schedule and linked each question with the pursued variables aimed to be answer (See Table 2). For the full list of interview questions please see Appendix A.

A disadvantage from this type of validity relies on its subjective nature; hence there is no definite conclusion (Bryman & Bell, 2007, p.423; Kumar, 2011, p.155). Nonetheless, the essence of the managerial strategies and small business research is also subjective (Blackburn
& Kovalainen, 2009; Curran & Blackburn, 2001; Dobbs & Hamilton, 2007) as well as the qualitative research approach applied to this research (Malina et al., 2011).

Regarding the reliability of a study, Kumar (2011) states that the degree of reliability of a study depends on the degree of consistency and stability of the instrument used to obtain the data, which in this case are the interviews conducted. According to the same author, the factors affecting reliability are:

- **Question wording**: Due to the application of semi-structured interviews, the questions asked can be reworded per interviewee request. This strengthened the reliability of the questions since the interviewer was able to word the question in a manner that provided the best understanding for the interviewee.
- **Physical setting**: The physical setting cannot be controlled in this research due to the method used to undergo the interviews. Skype allowed us to have live conversations and see the interviewees’ faces; nonetheless the environment in which the interviewed subject was in at the moment of the interview is outside the researchers’ control.
- **Respondent’s mood**: The researchers approached the individuals in a friendly manner and assured them that any question that they do not wish to answer can be eliminated, as well as their anonymity can be preserved during the entire research. This was clearly communicated to them in order to prevent uncomfortable situations that can cause mood changes from the interviewees’ part.
- **Nature of interaction**: As stated above the interviews were kept as uniform as possible only intervening when necessary or per wording request of the interviewee. A friendly and professional tone from the interviewer side was maintained during the interview process.
- **Regression effect of an instrument**: Kumar (2011) argues that some individuals might regret the answers given during an interview. Therefore, these individuals will change their responses when interviewed a second time. This is not applicable to this research since the interviews are meant to be conducted once.
4. Empirical Study

In this section, the authors introduce the different companies and scenarios presented during the interview process regarding their managerial strategies and business growth.

4.1. Company interviews

4.1.1 Company 1 - Timberline Alpine Ski Academy - Banff, Alberta, Canada

Company 1 is a ski academy operating in Banff, Alberta, Canada. They offer international travelers the opportunity to move to Canada and become trained ski instructors. They provide assistance with Canadian visas, housing and training. The interview was conducted with one of the co-founders, James McCutcheon. The company was started two years ago and only has three employees who are all co-owners, all originally from Eastern Canada who have been skiing since they were young. Partners have their respective area of expertise and skill set. One of the partners is skilled on the technological aspect, another with the business and administrative and the last with the more hard skills needed to train and coach the incoming students. Their season runs from mid-November to April making their company a part-time and seasonal business rather than a year round full time company.

They offer programs for young adults coming from Europe, Australia, New Zealand and the United States, providing them with ski and snowboard training so that they will be able to go out and teach as a meaningful career in Western Canada. The company has been in existence since January 2014, so they are just little over a year old. They have recently started the company, sold their services to existing customers and are focused on existing in the market and surviving each ski season to the next. Each co-founder also has other part-time jobs since their business is not creating enough revenue to grant full time employment. Their business model is designed much like a travel agency, where much of the services offered are brokered which means that there were minimal start-up costs and little operating costs.

Their customer base is primarily young adults between the ages of 18-30 mainly from the United Kingdom (70%) as well as other parts of Europe, New Zealand, Australia and the United States. According to the interviewee, they saw a gap in the market where programs for these young adults wishing to move to Alberta, Canada were being organized by companies from their home countries. They felt that having lived in Banff and Alberta they can better
arrange and organize better services compared to organizations that were outside of Canada. According to the interviewee the company is “very much in the infancy stage”.

[See Appendix B-1 for the interview transcript]

4.1.2 Company 2 - Edna Jean Vintage - Calgary, Alberta, and Canada

Company 2 is an independent women’s vintage clothing store who operates entirely on the internet selling clothes to women mostly around Alberta, Canada. The interview was conducted with the founder and manager of Edna Jean Vintage, Jacqui Reader; who operates, owns and manages the business. The entire business is run online through the company’s online shop and is under one year old starting in January 2015. She currently keeps an inventory of 70 different pieces that she sells out of her shop via online platforms such as Etsy.com and her blog on Tumblr.com. Her inventory is focused on vintage women’s clothing and fabrics ranging from the 1940s through to the early 1990s. She described her ideal client as “someone who values a well fitted garment, who appreciates trends that never fail”, ranging in age from early 20s to late 40s, who are willing to spend a higher price compared to brick and mortar vintage clothing for more unique pieces than those found at modern clothing shops.

She chose to work out of her home and create the shop completely online as a way to minimize overhead, with no employees or pay for rental retail space. It started as a way to pass on of some of her wide collection of women’s clothing to other women who are equally interested in vintage clothing. Being based online, she is able to ship to customers worldwide; however, it limits face-to-face meetings with clients to just within the Calgary, Alberta area. She finds most of her inventory from Ebay.com; however, she prefers to shop at small town local thrift shops, where many interesting pieces may be overlooked by the locals.

The owner’s main goals to grow the business is to increase face to face interactions with clients, expanding the company’s blog and search engine optimization (SEO) by ensuring the use of correct hashtags and social media. Collaboration with jewelers and other shop owners is another way she envisions growing this business. She currently has another part-time job therefore, her biggest challenges are effective time management and being motivated to work from home. The business is not her full time job as it generates minimal profit is.

[See Appendix B-2 for the interview transcript]
4.1.3 Company 3 - BluPlanet Recycling - Calgary, Alberta, Canada

Company 3 is a small recycling company who focuses on commercial and residential mixed recycling services in Calgary, Alberta, Canada. The interview was conducted with one of the co-founders, Devin Goss. They provide recycling services by picking up mixed recycling material and sorting them using a variety of collection bin systems that can be customized to suit the restrictions of any residential or commercial complex in and around the Calgary area. The company is over six years old and employs 12 full-time employees with the aim of hiring three more by the end of the year. BluPlanet Recycling was started when the City of Calgary “rolled out a door to door collection service for single family residences, called combing recycling, which combining mixed recycling for pickup”. This service however was for single family houses and there was no services offered for residential complexes such as apartment buildings or commercial complexes. Devin saw this as an opportunity to create a company to service this need.

They began by testing with one building their business model and how to market and strategize this service. They started to work with condominium managers who presented their business model to their boards providing them with support, traction and a growing clientele. In the past year, they have been working with the City of Calgary to develop a long term strategy for condominium recycling. According to Devin, “the City of Calgary is mandating that every condominium has to hire a service provider to collect their mixed recycling material” which has helped to grow their business tremendously. When asked about competition in the industry, Devin responded that they are a specialized and large provider for combing recycling in the geographical area, offering customizable solutions. This gives them a competitive advantage over other service providers when customers are looking for solutions that are suited just for them.

Devin’s main area of expertise is finance, the two other business partners are experts in engineering and small business management. They are currently learning and developing human resource strategies, as this was one area where they lacked experience. One difficulty they encounter is operating a business and retaining employees in a geographical area that is dominated by the Oil and Gas industry who “historically offer much higher wages”. They are
extremely sustainability focused by participating in community and environmental work. This is also used as a strategy to retain employees who are motivated towards environmental causes.

Devin described his business growth as in a stage of “land grab”, where it is a completely new market that was just created and they are trying to gain as much market share as possible before their competitors. They see themselves tripling in size over the next three years due to the number of services that they will be able to provide and the need for them in the marketplace. He expressed that the company needs to grow vertically rather than horizontally, focusing on the Calgary market rather than expanding into other geographical areas. They are increasing their service offerings by working with the City of Calgary to contract their services for major commercial business complexes in Calgary. Their aim is to be self-reliant by gaining as much control over the supply chain as possible.

[See Appendix B-3 for the interview transcript]

4.1.4 Company 4 - Surex Direct - Magrath, Alberta, Canada

Company 4 is a small online insurance company called Surex Direct. The company focuses on providing insurance for online customers, homes and automobile insurance options from six different companies for Canadian citizens. They operate a small office in southern Alberta; however, the entire business is completely run online with insurance brokers working all across the country and even in the United States. They sell insurance all over Canada, excluding the French-speaking region of Quebec. They currently have little to no competitors from other online insurance providers. They are the first of their kind in Canada, and offer start to finish insurance services, something no other online insurance company does.

The goal for Surex Direct, as stated by the interviewee, is to revolutionize the way people buy insurance in the same way as “Travelocity did with brick and mortar travel agencies”. They have tried to establish a managerial style that motivates their employees based on their compensation setup, “having a smaller piece of a large pie is better than a larger piece of a small pie”. These employees’ compensations include equity in the company. The interviewee associated the success of Surex Direct to their emphasis on innovation, remaining small and agile, and allowing their employees the ability to “voice their opinions and come up with new ideas”.
In terms of their business growth, their strategy is to re-invest heavily and rapidly, to the point where the founders “have not taken a pay check since day one”; all money goes to reinvesting into core systems and software. Their goals are to be in hundreds of car dealerships and affiliations with the use of apps. They are the fastest growing insurance provider in Canada, despite being the smallest. Their biggest obstacles to growth are creating the right systems to train new online insurance brokers, onboard them and get them selling insurance online. Maintain innovation and growth while hiring middle managers, scaling the business model to maintain the core competencies. They currently have no plans and do not see the need to set up traditional brick and mortar insurance broker shops.

[See Appendix B-4 for the interview transcript]

4.1.5 Company 5 - Village Brewery - Calgary, Alberta, Canada

Company 5 is a Beer brewery located in Calgary, Alberta called Village Brewery, which was started back in 2011. The interviewee was a co-founder by the name of Jim Button. He described the beer industry in Calgary and especially Alberta as a deregulated market, with plenty of opportunity for beer to come into the market. He stated that “There are 2500 different beers being sold in Alberta, compared to BC with only 400 and Ontario with 900”. There used to be large requirements to start breweries in Alberta, requiring millions of dollars just to be able to produce beer. Recently laws have been changed to reduce these requirements, allowing for a flooding of craft breweries and creating a unique beer market in Alberta. It should be mentioned that alcohol, in Canada is regulated by the provincial government rather than the federal government, meaning that each province will have different laws and regulations when it comes to crafting and selling any kind of alcohol.

Between the six co-founders of Village Brewery, there are over 150 years’ experience of beer making. Their goal right from the beginning of the brewery was to make beer and to help build a community; as quoted Village is “equal parts beer making and friend making”. They wanted to create a movement donating 10% of their bottom line back to the community since this is the brewery’s foundation. In a similar manner, 40% of the brewery is offered as a limited partnership to community leaders in Calgary, dubbing them the Beer Barons. They sought this out as a means to raise capital for the brewery without having to go to the banks or put up large sums of personal capital, as well as an excellent way to connect with the community. They help
organize community and charitable events, by supplying beer and sitting on boards and committees related to the events and the community.

Their business strategy was to stay small and focus solely on Calgary by maintaining a goal of 20,000 hectoliters of beer per year. They focus more on growing profit margins and their community impact rather than increasing volume and growing outside of Calgary.

The business is managed by allowing each of the co-founders to exert their expertise in their respective areas, a flat organization hierarchy. Each co-founder works on their respective area of expertise and come together into a meeting to communicate what they have done. Only with relevant decisions mutual consultation takes place to make a collective decision. Most of the decisions are up to the person to which they relate to the most.

[See Appendix B-5 for the interview transcript]

4.1.6 Company 6 - Anonymous Restaurant - Calgary, Alberta, Canada

Company 6 is a restaurant and pub located in downtown Calgary, Alberta, Canada. They agreed to participate in the interview under the conditions of complete anonymity. One of the co-owners and founders was interviewed. The owners are an Irish born couple who immigrated to Canada in 1979 and opened up an authentic Irish Pub in Calgary, Alberta back in 1997. They classified their restaurant as in between fine dining and pub food. They cater mainly to oil and gas executives from the many corporate buildings surrounding their establishment. They started the business because they saw an opportunity in Calgary as there were no authentic Irish pubs. With their experiences of Irish culture and restaurant management backgrounds, a successful establishment was founded. Their main restaurant attraction are “pub design and the ambiance it creates, friendly, efficient bar staff (the Irish are renowned for their humour), the unique appeal of hearty Irish food and drink, and Irish music”.

In the early 2000s they expanded their business to open a second location but sold it a few years later to focus solely on their main restaurant and brand. Their initial growth strategy was to open multiple locations and turn the brand into a franchise; however, they decided to scale back and focus their growth by maintaining the high standards and growing their customer base. This is achieved by differentiating themselves from other Irish pubs and high end restaurants that are located in the downtown Calgary core. Elements such as TVs, bottled beer
or servers in “scantily clad outfit is” makes the pub a gentleman's pub; but akin to create an atmosphere built upon conversation and humor rather than hockey games and drink specials, the restaurant provides no such elements.

Despite their success, the restaurant is heavily reliant on temporary foreign workers to fill in the positions that are tough to keep consistent. Another major problem endured is the ripple of effects of the price of oil. Because their main clientele are Oil and Gas professionals, when the price of oil is high and these companies make a lot of money, they spend much of it in the restaurant; however, when the price of oil drops so do the number of visitors by the corporate professionals.

The interviewee described their managerial style as one of empowering the employees, rather than “entitling” them. They give the employees roles, tasks and responsibilities for them to fulfill rather than titles. This creates a team atmosphere where each member accomplishes their required task to help grow the restaurant. They use this strategy as well as one of staying innovative and differentiating themselves from the competition to grow and stay successful.

[See Appendix B-6 for the interview transcript]

4.1.7 Company 7 - Kaitmoffat.com - Calgary, Alberta, Canada

Company 7 is kaitmoffat.com is a professional digital marketing website offering services for those in need of online digital marketing. The interview was conducted with founder Kait Moffat. The business was launched in January 2014, initially focusing on social media but has recently moved to more analytics to track behaviors. She remains the only employee of the company; however, she hires and outsources web developers, web designers and graphic designers. She described her business as “still a side business, with the potential to become a full time business in 5 years or less”.

Her target market is small to medium businesses, specifically those who are at a beginning stage. She describes the professional digital marketing industry as “a flooded market”, forcing her to work arduously to differentiate herself from the other competitors. She gains a competitive advantage by adding a more personal relationship with her clients through face to face interactions and video calls rather than just engaging via email. She describes social media as the largest part of her business, as it is constantly changing and people need it recurrently.
Her managerial strategy is to set up and gain new business through referrals, specifically by developing a social media following and establishing a presence. Once she began obtaining work, she had to learn how to manage a number of outsourced workers in various time zones, by either setting alarms or waking up early in the morning or late at night and some days working 18 hours straight. She plans to grow her company by enrolling herself in various courses to enhance her current skill set and learn as many new skills as possible to be able to expand her offering of services. Her goal is to become well versed in all areas of the industry and then increase the outsourcing of work and operate completely as a project manager, handling all aspects of the clients’ needs.

[See Appendix B-7 for the interview transcript]

4.1.8 Company 8 - Anonymous Start-up - Calgary, Alberta, Canada

Company 8 is a start-up company based out of Calgary, Alberta, Canada that will be launching their company and services in May 2015. They agreed to partake in this research by participating anonymously. The interview was conducted with one of the co-founders and co-owner of the company. Their start-up company is an online business directory and review site. They wish to build and improve “user experience and to make information regarding local businesses more transparent”. Compared to most online review sites, this start-up will allow users to leave only 320 character reviews, and the business will then be able to integrate these reviews unto their social media accounts as “word-of-mouth testimonials”.

The interviewee is one of the owners of the company along with three other co-founders. The start-up has been in development since early 2014. The rest of their staff are a team of designers and developers working on contract, however they plan to grow their team in the very near future with more employees, contractors and interns to bring their numbers up to 25-30 staff. The business was described by the interviewee as being “bootstrapped”, meaning spending as little money as possible; however, they are well financially supported by previous businesses from the co-founders. The start-up is their full time positions. They each spend 60-80 hours per week on their start-up as they ramp up to launch soon.

Their prospective customers are people and business owners in Calgary, Alberta, Canada. They seek to give the businesses a “unique opportunity to showcase their brands online”, by making
them easily searchable and available to interested visitors and potential customers. The start-up is aimed to be a tool for social media, which will allow business owners to mobilize user-generated content to reach new customers. There will be three different business packages available for the businesses.

The managerial strategy that they implement is developing people to do their best work, the interviewee stated that the “old saying of different strokes for different folks” is very applicable to them. They like to clearly outline the goal of the task, show them what good work looks like and then provide feedback and encouragement. The interviewee stated that they borrowed this management philosophy from Kenneth Blanchard and his book *Leadership and The One Minute Manager*. The interviewee also joked that there are also plenty of laughs and high fives at the start-up.

Their growth strategy is to begin in Calgary; refine the product and business model until they have a good fit for customers and business owners. Afterwards they wish to expand the business to other major cities in Canada within a year and in the United States within two years. Throughout their growth, they want to maintain their start-up culture, remain lean and avoid corporate bureaucracy. Their strategies to achieve these growth goals are to learn rapidly, make communication with their team as easy as possible for early adopters and lastly, test new features and gather the data on what works and what does not work, this will create a product that is for the people.

[See Appendix B-8 for the interview transcript]

4.1.9 Company 9 - Encompass Technologies Inc. - Calgary, Alberta, Canada

Company 9, Encompass Technologies Inc., is a Calgary, Alberta, Canada based company that specializes in providing software, called *Energy Trading Risk Management*, to various energy, oil and gas companies around the globe. The participant in the interview was the owner and president, having founded the business 23 years ago. They recently negotiated a business deal, for the company to be bought by a much larger international energy trading risk management firm.

The company consists of 14 employees, mainly software developers and information systems implementation experts. Their main client base and target market are large companies that deal
in one form or another in commodities such as natural gas, crude oil and power. They offer only one product, the software that these large companies can use to manage and reduce the risk in energy trading, however they are constantly updating and upgrading the software so they continually offer revision versions. The business is independently funded and it is the full time job of the interviewee as well as the other 14 employees.

The interviewee described his managerial style towards his employees as one of a “micro manager”. He is an expert in all fields of the business from the marketing of the company right down to the actual software design and development. He, therefore, oversees all parts and aspects of the organization's operations to ensure the employees stay true to the company’s mission statement.

The interviewee continued to describe the business strategy of Encompass to grow their business as one of constant “product development” and “long term relationship creation and management”. They do not sell their software directly to the large energy companies but rather license it out on an annual basis, so they have received continuous funding from their clients. This licensing strategy is the reason, he believes, that the need for product development and creating and managing long term relationships with the large energy companies is the utmost importance.

They chose to sell the business to a larger energy trading risk management firm due to the interviewee’s personal reluctance to invest heavily in sales and marketing, which, in his opinion, would sacrifice his personal time and that of other employees from the constant product development. He stated that in order for the company to grow it must be sold to a larger company that has the resources and employees for sales and marketing.

[See Appendix B-9 for the interview transcript]

4.1.10 Company 10 - Chris Clark Creative - Calgary, Alberta, Canada

Company 10 is a graphic design company, in Calgary, Alberta, Canada, that provides branding, design & developments for web and interactive platforms, visual communication strategy and data visualization. The company is called Chris Clark Creative (CCC) and is owned and operated by a single proprietor, Chris Clark, who is the only employee of the company and the participant of the interview. She independently funds her small business through repeat clients.
She has owned and operated the small business for the past four years and it has been her full-time position for the duration of this time. Her customers are mainly other small businesses, charities, and research groups located throughout Calgary, Alberta, Canada. To-date she has had over 65 clients building up a strong collaborative network of professional developers, social media managers, photographers and public relation experts.

Chris Clark’s managerial strategy is one of “hands on”, she is responsible for all aspects of the small business operations, including project management and creative development. This is the basis for her business strategy, as she described that through good project management and client relations, she can create trusts and effective communications, which she stated as being “integral for allowing me to make strong creative works that exceeds client expectations”. The trust and effective communication between her and her clients leads to a high amount of repeat clients and recommendations to others for potential work and project opportunities.

In terms of growing her small business, she would ideally love to work on projects that are on a larger scale and that are more complex. In order for her to grow her business to these levels she needs to be constantly seeking out larger scale projects and solidifying collaborative ties with her network of professionals. The main obstacles that are hindering her from achieving her growth goals, as she described, were complacency on her behalf, lack of advertising for her small business, time and resources to attain these larger more complex projects as many of her small clients with small budgets take up the majority of her working time. She has determined that a more proactive approach to pursuing new clients rather than waiting for clients to approach her would be best suited for growing her business. In order for her to grow, she feels she may have to partner with someone who has a skill set in business and marketing that could complement her creative skill set and help Chris Clark Creative grow to the next level.

[See Appendix B-10 for the interview transcript]
5. Analysis/Discussion

In this chapter, the theories from the theoretical chapter and data from the empirical chapter are combined in order to discover which stage of growth each small business was in and which managerial strategy were used by each small business. Additionally, the theoretical literature is also compared to the empirical findings. A table summary can be found towards the end of the chapter to provide an overview of the analysis. Finally, a new framework of strategy development for the various stages of growth will be introduced.

5.1. Small Business Growth

The many difficulties presented by small businesses with relation to their bigger counterparts are proved valid as stated within the literature (Dean et al., 1998; Gelderen et al., 2005; Gottfridsson, 2014; Storey, 1994). This situation is remarkable in companies 2, 6, 7 and 10 [Refer to Table 3 for the participant companies] where factors such as advertising their business, obtaining clients, business expansion and employees were hindering their small business.

Dean et al. (1998) states the expertise exhibited by small firms to excel in niche markets as well as their flexibility; this was also mentioned by Chaston (2009). Company 2 even expressed during its interview that their ideal clients is someone who appreciates trends that never fails; someone who wants something unique that no one else in the world has. Similarly, Company 7 also voiced its preference to provide digital marketing to specifically small companies. Although Dean et al. (1998) premise about small businesses operating in niche markets might be accurate in the large scale; our study shows that half of the interviewed companies operate in general markets such as insurance provider, digital marketing and restaurant administration.

All of the companies demonstrated flexibility by providing more than one strategy for growth either through educating themselves, improving services, re-investing, or planning future projects (See Appendix B). An even more specific example was Company 4, an online insurance provider, who credited their online success to being small, being able to react quickly and be able to take risks and chances unlike larger companies who are bogged down by procedures and bureaucracy. This declaration correlates with Dean et al. (1998) and Dobbs & Hamilton (2007) when referring to the flexibility of small businesses.
Touching on the internet breakthrough and its impact on small businesses; the use of digital tools to either support or operate their businesses was noticed in the interviews. This matches Graham’s (1999), Poon’s (2000) and Daniel et al.’s (2002) work about the internet manifestations in small firms. Some examples can be witness in Companies 2, 3, 4, 7, 8 & 10 which are almost entirely (Company 3) if not completely operating online. A reason for this trend could be associated with the low cost and low financial support that these online marketing tools provide, it evens out the competitive advantage that larger business have with larger marketing budgets. As Ang (1991) explains, small businesses have fewer sources of financing and owners lack protection against personal losses from business failure; therefore the ability to start and run a business with few resources is naturally appealing to this type of businesses.

5.1.1. Companies’ Current Growth Stage
In order to determine which of Tell’s (2012) managerial strategies was used by the small businesses at each interval of Scott & Bruce’s (1987) Five Stages of Small Business Growth, it must first be decided which stage of small business growth each small business was in at the time of the interview. Information was gathered during the interview from each company that helps to discover which stage of small business growth they were in. Information such as company age, number of clients or customers, number of employees and whether or not the business was the owner’s full time position or not, are among these.

Company 1 - Timberline Ski Academy - Banff, Alberta, Canada

Company 1, Timberline Ski Academy, had been a small business for two years, with three part-time employees, however during the interview it was mentioned that their business was seasonal and only in their second season; but still having a small and growing number of customers. This information is concurrent with Churchill & Lewis (1987) and Scott & Bruce (1987) description of the Survival Stage. They clearly demonstrated the ability to create a workable business entity, turning a small profit, and handling the demands of a basic market structure. The company has enough customers to satisfy the existence of their business as they manage the relationships between customers, revenues and local environment.
**Company 2 - Edna Jean Vintage - Calgary, Alberta, Canada**

Company 2, Edna Jean Vintage, was deemed in the *Survival Stage* of small business growth. The owner had established an online store and has been selling vintage women’s clothes for over a year. She has proved that her business it’s a working business model, with minimum overhead, justifying the continuation of it. The owner only manages this online small business as a part-time position; this is a sign that not enough revenue is generated to be considered a modest level of profitability, or a large enough income in order to become a full-time position. This, nonetheless, is a requirement by Churchill & Lewis (1987) to be considered in the *Growth/Success Stage*. The owner is managing her time between her current customers, expenses and revenues with finding full-time employment.

**Company 3 - BluPlanet Recycling Inc. - Calgary, Alberta, Canada**

Company 3, BluPlanet Recycling Inc., was determined to currently be in the *Expansion/Take-off Stage*. The interviewee described growth problems such as building a human resources department and the difficulty of employment retention when competing with other higher paying industries such as the oil and gas industry. Churchill & Lewis (1987) describe that key problems—such as the ones company 3 experienced—occur during this stage as successful companies learn how to grow financially and organizationally. Company 3 demonstrated during the interview the need to systemize administrative functions and create structured process to deal with the rapid growth that they were experiencing. The “land-grab” that their market was encountering described perfectly Scott & Bruce’s (1987) description of this stage as a “*turbulent market and environment which increase the need for the business to be proactive and anticipatory in nature*”. They are rapidly growing, therefore specialist staff, such as the need for a human resources specialist as described during the interview, are brought on board to facilitate these organizational changes (Scott & Bruce’s, 1987).

**Company 4 - Surex Direct - Magrath, Alberta, Canada**

Company 4, Surex Direct, was also experiencing scenarios that would exemplify the characteristics of a small business in the *Expansion/Take-off Stage*. Based off the details of the interview, Surex Direct has seen major growth in the Canadian insurance industry, being the only insurance broker to offer a wide number of quotes online and for customers to purchase
directly online. This has caused them to “re-invest” heavily in their company to be able to adapt to the changes to the organization that the constant growth has created. During the interview the interviewee expressed a decentralized authority and the necessity to hire middle managers for the first time, a term that the interviewee actually stated hated and cringed even mentioning. This is concurrent with the problems facing small businesses in this stage as described by Scott & Bruce, (1987), that small businesses will eventually have to hire professional middle managers and implement formalized systems in order to cope with the enlarged scope of their business operations. This delegation of authority that was described by the interviewee is a main pinpoint for Churchill and Lewis’s (1987) definition of the Take-off stage, “…where the owners are able to delegate responsibility to others to improve the managerial effectiveness of a fast growing and increasingly complex enterprise”.

Their biggest obstacle to their business growth, as described by the interviewee, was that of expanding the business, creating new systems and training programs, while remaining a small and agile company and not losing any of it is core competencies. Churchill and Lewis (1987) describe this problem explicitly in their description of this small business growth stage, “The key managers must be very competent to handle a growing and complex business environment. The systems, strained by growth, are becoming more refined and extensive. Both operational and strategic planning is being done and involves specific managers”. Scott & Bruce (1987) described this problem as the most likely crisis to occur in this stage, that the “top management will find himself getting further and further from the coal face and thrust more in the role of a watchdog and planner”.

*Company 5 - Village Brewery - Calgary, Alberta, Canada*

Based on the evidence provided in the interview and comparing it to the theory, company 5, Village Brewery, is in the Growth/Success stage of small business growth. Scott & Bruce (1987) defined the two most likely crises to occur on this stage as 1) entry of larger competitors and 2) the demands of expansion into new markets or products. The interviewee, Jim Button, described these specific two problems. He described that the beer industry in Alberta has been one wrought with regulations that limits its local breweries capabilities, while allowing a higher number of other breweries to sell their beer in Alberta compared to other provinces. This has led to much larger beer companies to flood the market, using their greater economies of scale as
a competitive advantage, which Scott & Bruce (1987) described as “a weapon used to put pressure on price”.

This problem has created the second problem to which the interviewer describes as, local breweries having to expand and grow at a rapid pace due to the tax regulations of brewing beer in Alberta. If a brewery wishes to grow their business they have to do so rather quickly in a very short amount of time to either expand into new markets or products. This is the second crisis that Scott & Bruce (1987) described small businesses in this growth stage would encounter. The interviewee stated that in order to counteract this problem they have decided to stay below the required tax regulations imposed by the Alberta government and controlling their growth at a much slower pace by solely focusing on the market of Calgary, Alberta, Canada, rather than giving into the demands of expanding to new markets.

This empirical information is concurrent with the theory provided by Churchill & Lewis (1987) on their description of what small businesses may encounter in the Growth/Success stage of small business growth. They describe companies in this stage as having experienced success in their business and the key issue is to decide “whether to exploit the company’s accomplishments and expand or keep the company stable and profitable”.

**Company 6 - Anonymous Restaurant - Calgary, Alberta, Canada**

Company 6 was deemed to be in the Maturity stage of small business growth, based on a combination of the theoretical literature on this stage of small business growth as well as the detailed information from the interview with one of the founders and owners of the restaurant. After having been in operation for over 17 years, the owners have a clear grasp on their business model and the features of the company greatly resemble those described by both Scott & Bruce (1987) and Churchill & Lewis (1987). The key issues that the restaurant faces concords with Scott & Bruce (1987), “expense control, productivity and finding growth opportunities”. The restaurant has attempted its growth expansion but later decided to remain inside their current growth stage of maturity and grow in terms of their current customer base at one restaurant rather than expanding.

The description of their current stage as described by the interviewee is also concurrent with Churchill & Lewis’ (1987) definition of this stage, which they call Resource Maturity, “The
Company has now arrived. It has the advantages of size, financial resources, and managerial talent. If it can preserve it is entrepreneurial spirit, it will be a formidable force in the market”.

Company 7 - Kaitmoffat.com - Calgary, Alberta, Canada

Company 7, kaitmoffat.com is in the Growth/Success stage of small business growth, after comparing the information provided in the interview with the literature from Scott & Bruce (1987) and Churchill & Lewis (1987). The founder, Kait Moffat, has experience moderate success with her small business and has established a loyal client base. She is slowly gaining clients and projects, this can be classified as “managed growth” by Scott & Bruce (1987), which is a key issue described in the growth stage of small business growth. As her company continues to grow, some strategies and plans she intends to implement is bringing on “remote workers” which can coordinate and project manage while she focuses on business development. This strategy is also consistent with Scott & Bruce’s (1987) description of top management role in this stage of “delegation, co-coordination, and centralized organization structure”.

It was made quite clear during the interview that the participant was undergoing operational planning, which was a key factor for the success/growth stage as described by Churchill & Lewis (1987). Adjusting the way she handles her clients and their projects to become more of a project manager coordinating multiple projects rather than working directly on one single project.

Company 8 - Anonymous Start-up - Calgary, Alberta, Canada

It was determined that the interviewed anonymous start-up was in the Inception stage of small business growth. They have yet to officially launch their product, which has been in development for the past two years, Scott & Lewis (1987) describes this as “Emerging or Fragmented”. They made it clear that their main goal upon initial launch was to obtain as many customers as possible and refined the product to adapt to the consumer needs. With negative cash generation, major investments, simple bookkeeping and single line and limited bootstrap marketing strategies, this anonymous start-up is a classic example of Scott & Bruce’s (1987) definition of a small business coming into inception.
Using Churchill & Lewis’ (1987) theoretical framework of small business growth stages, this anonymous start-up is in the stage of *Existence*. The answers provided in the interview were similar to the main problem described in Churchill & Lewis’ (1987) theory, “In this stage the main problems of the business are obtaining customers and delivering the product or service contracted for”. The start-up organization is a simple one, systems and formal planning are minimal to non-existent, and have yet to stabilize product quality or product development, all characteristics described in Churchill & Lewis’ (1987) theory of small businesses in this stage.

*Company 9 - EnCompass Technologies Inc. - Calgary, Alberta, Canada*

The description given by the interviewee, when compared to the literature in the theoretical framework, was determined to be in the *maturity stage* of small business growth. Based on Scott & Bruce’s (1987) description of small businesses in this stage, EnCompass Technologies Inc. matches comfortably in all categories. As described in the interview, their growth has been stunted with the decision by the owner and founder to not sacrifice personal time and resources to sales and marketing and have negotiated a deal to sell the company with those resources, which aligns with Scott & Bruce’s (1987) description of the industry and key issues that small business face in terms of growth in this stage. Top management style was also described as “Watchdog”, which the interviewee described his own style as “Micro-manager”, both similar to each other.

*Company 10 - Chris Clark Creative (CCC) - Calgary, Alberta, Canada*

Based off the interactions and information presented during the interview and comparing the results to the literature theory, Company 10, Chris Clark Creative (CCC) was deemed to be in the *Growth/Success* stage of small business growth. This company exhibited characteristics and features that were similar to those described by Scott & Bruce (1987). The company has generated income and has an established network of loyal clientele; however they remain low budgeted. As described by Churchill & Lewis (1987), the greatest decision that owners face at this stage, and Chris Clark is facing, according to the interview, is determining to take advantages of the small business’s accomplishments and expand or to keep the small business profitable and stable. This is exactly what Chris Clark described in the interview, whether to
continue with the small budget clients that come to her, or to partner up with someone with marketing experience and expand her business to greater and more complex projects.

5.2. Managerial Strategies

Chaston (2009) illustrated the factors that are considered by small businesses in order to adopt a managerial strategy. The interview results show a relation between market opportunities, core competence and entrepreneurial opportunity; as they were the ones used by at least one of the participant companies. This indicates a preference or perhaps a need for small businesses to focus on these factors rather than the remaining one [industrial sector conventions].

Chaston’s (2009) explanation regarding the “differentiation strategy” in small firms is accurate to our results. All of the interviewees expressed the desire to differentiate from the competition and to innovate in their field. A specific case is Company 7, the owner communicated her aspiration to differentiate her business by developing her core skills (programming) since her operating field (digital marketing) is saturated. This presents an example of Aurand et al.’s (2004) research concerning the saturation of a niche market and how small companies tend to overcome this by applying a development strategy. Basile & Faraci’s (2015) management innovation theory is also an example of this innovation trend to be different and new by implementing strategies, techniques and practices that are new to their field to accomplish the company’s goal.

Regarding with the making of the strategies, the interview results show that a ‘bounded rationality’ type of thinking in companies where the owners were less experienced. Meanwhile a more ‘synoptic’ style where managers take a thorough problem solving approach was witnessed in companies with more expertise and where the managers had some sort of business knowledge. Nonetheless, Von Gelderen et al. (2000), Dobbs & Hamilton (2007), Metts (2007) and Hansen & Hamilton (2011) state that the likelihood of taking quick action when it comes to decision making is proper of small businesses. This trend has been observed during the interviews with companies consisting of few individuals, in early stages of growth and where there’s a single manager.
5.2.1. Companies’ Current Managerial Strategy

In order to determine which one of Tell’s (2012) Managerial Strategies each small business was utilizing in their respective stages of small business growth, keywords used during the interviewee’s descriptions of their managerial strategy were picked up and coded to a specific managerial strategy (Refer to Table 4). Information such as the organizational structure, decision-making processes, business strategies, business goals and problem or challenge solving was used to help classify each small businesses managerial strategy into one of Tell’s (2012).

Company 1 - Timberline Ski Academy - Banff, Alberta, Canada

Company 1, Timberline Ski Academy, based on keywords and code words picked up during the interview when asked about their managerial strategy, it was determined that they apply an Adaptive Strategy. Code words such as customer focus, direct marketing and adaption to change were used throughout the interview [See Table 4: Codes for identifying Managerial Strategies]. This was in line with Tell’s (2012) description of the adaptive strategy which focuses on customer and supplier needs, and the manager has an outside focus on dealing with activities related to the customers and suppliers. Because the co-owner described their business as very similar to that of a broker, they are constantly dealing with their customers whether it is helping them with visa issues, training them or finding them employment or housing in the Banff and Alberta area.

Company 2 - Edna Jean Vintage - Calgary, Alberta, Canada

Company 2, Edna Jean Vintage, after analyzing information and keywords used during the interview was determined that the owner implements a Simplistic Strategy. This was determined with the keywords such as single goal, single issue and narrow focus [See Table 4: Codes for identifying Managerial Strategies]. The owner described her managerial strategy as being one of part-time, self-motivation, and simple which is in line with Tell’s (2012) characteristics of attachment to the same aspects, strategies or things that provide success in the beginning of the small business life cycle. Because the owner has exhibited minimal revenue generation and it is still a small company, its current market position does not require it to become anything more than single goal and single focus.
The interviewee did mention that her strategy would change once the business begins to grow more and demands more attention.

*Company 3 - BluPlanet Recycling - Calgary, Alberta, Canada*

The birth of Company 3 is based on the identification of an opportunity in the market. A service was lacking for certain groups and they decided to provide it, thus demonstrating entrepreneurial behaviour in concordance with Tell (2012) and Felicio et al. (2012). Since the business was new both in the type of service and it itself, the company also developed their own systems for the service that is provided. This shows new service and process development, also stated by Felicio et al. (2012).

Their business has had such success that a new law that is going to be passed over the city of Calgary stipulating this type of service to be mandatory for all condominiums. This in it itself shows great innovation as their service it is soon to become a necessity for their community. The code words identified were new business creation, new service, process development and innovations hence making them adopt an *Entrepreneurial Strategy*. [See Table 4: Codes for identifying Managerial Strategies].

*Company 4 - Surex Direct - Magrath, Alberta, Canada*

Company 4 is the first online insurance provider in Canada, therefore making them *entrepreneurial and innovative*. They are also the only ones offering start to finish insurance services completely online. In addition to this, it was disclosed during the interview their focus on innovation. Company 4 believes that to become a successful manager, innovation has to be kept alive and a main focus. The way the company manages this ‘innovation’ is through employee compensation and providing them with the feeling that they have built something.

Although it might seem like Company 4 is displaying a participative strategy based on their employee empowerment focus, according to Tell (2012) the participative strategy portrait is everyone in the organization to be involved in the decision making process. This characteristic was lacking from the interview as Company 4 favored innovation as their number one goal and strategy. One of their biggest problems was not achieving innovation but actually maintaining it as they grow. The eagerness of Company 4 for innovation through human and financial
resources is related to the newer studies of small business growth such as Omri & Ayadi-Frikha (2014) arguing that through the creation of innovation, growth can be achieved. Their inclination to take risks was also mentioned in the interview. Company 4 appeared to be confident about the ability of their small business to take and recover from risky activities because they understood that one large advantage that they have over larger companies is that they can change and adapt much quicker than them, so they are more willing to take risks. This sentence gives the impression of secureness and willingness to take risky decisions.

The code words found during the interview were new business creation, new product/service development, innovation, risk-taking, flexibility and collaboration; thus making his management style Innovative/Intrapreneurial. [See Table 3: Codes for identifying Managerial Strategies]

Company 5 - Village Brewery - Calgary, Alberta, Canada

Company 5 has a vertical managerial style to run their business. All the partners involved have extensive years of experience within different fields which we argue increases their trust in each other. Regarding with the task management Company 5 had decided on an almost tribunal-like style where everyone has their own area of expertise and decides accordingly in that field, but come together for major decisions involving everyone. This style shows teamwork and collective decision making when dealing with bigger decisions, in concordance with Tell’s (2012) participative strategy.

Additionally, it was expressed by Company 5 that they would let each other do their part of the work, therefore implying high levels of flexibility and trust in their participation for the greater good of the company.

The code words identified for Company 5 were collaboration, participation, strong employee relations, collective decision-making and flexibility, matching entirely with Tell’s Participative Strategy. [See Table 4: Codes for identifying Managerial Strategies].

Company 6 - Anonymous Restaurant - Calgary, Alberta, Canada

Due to the service-oriented nature of Company 6, great efforts are placed into customer service and experience which in turn demonstrates an external focus from the manager's’ perspective.
Nonetheless, the owner clearly stated twice during the interview his business desire to stay ‘innovative’. Company 6 is always innovating, especially in tough economic times and conditions; they know that if they remain true to their core values and characteristics that their customers like, they can innovate to create a successful experience for their customers. Through this statement, the innovation culture and emphasis in Company 6 seems to be their golden ticket to successfully manage their business into growth.

As Tell (2012) proclaims, the innovative/intrapreneurial strategy is based on innovation but mainly on strategic development and product development. Consequently, Company 6 has a marked focus on innovation and service through their core values and employee empowerment; thus making it is managerial style innovative/intrapreneurial in nature.

The code words identified during the interview were new service development, innovation and external focus [See Table 4: Codes for identifying Managerial Strategies].

*Company 7 - Kaitmoffat.com - Calgary, Alberta, Canada*

When asked about the company’s managerial strategy, the owner mentioned the first step that provides the business with its first customers: referrals. To this day this is one of the main activities performed to manage the business and obtain customers. Company 7 also mentioned its ability to communicate with its clients and obtain exactly what they want. This according to Tell (2012) indicates the application of an adaptive strategy where the focus is on the customer. Nonetheless, it was determined from the answers that the company possesses a single focus which was proven when the owner expresser her plans to have multiple remote workers under her so she could manage the projects.

Company 7 is therefore presenting more simplistic-strategy characteristics than adaptive ones. Perhaps the company will accommodate an adaptive strategy once the business is more developed. Meanwhile, the business’s single goal, original strategy focus and narrow attention to become more competent and experienced within the computer coding field; makes Company 7’s managerial strategy a *Simplistic* one in concordance with Tell (2012). [See Table 4: Codes for identifying Managerial Strategies].
Company 8 - Anonymous Start-up - Calgary, Alberta, Canada

Company 8 is a company based off a usual idea of providing businesses with word-of-mouth testimonials. This is an innovative idea that the owner in conjunction with other partners decided to create. Tell (2012) states a similar phenomenon when describing the innovative/entrepreneurial managerial strategy. The author argues that intrapreneurship is the unity of many individuals to create a new firm or encourage innovation, as seen in company 8.

Company 8 proclaimed as one of their goals the necessity to improve their products. Thus, implying that constant product development and innovation is key to their business. Similarly, the owners actively try to maintain a company culture of excitement and opportunity with the hope to recruit the best entrepreneurial minds. Company 8 was the only company who expressed its desire to expand outside Canada. Parting from these premises, code words such as new business creation, product development, innovation and external focus; were identified from these statements thus making their managerial strategy Innovative/Intrapreneural. [See Table 4: Codes for identifying Managerial Strategies].

Company 9 - EnCompass Technologies Inc. - Calgary, Alberta, Canada

Company 9 stated that their managerial style is based on micro-management. The owner has 14 employees meaning that most of the tasks don’t require him for completion but only to supervise. Company 9 affirmed that their focus is based on product development and creating long term relationships with clients which according to Tell (2012) are signs of an innovative/entrepreneurial strategy.

The manager kept on mentioning service development and the need to either invest in sales and marketing or to “sell the business”. To our opinion this implies the willingness of Company 9 to get involved in intrapreneurship activities as stated by Tell (2012).

The code words identified were partnership, new product development, innovation and external focus. Consequently, making the company adopt an Innovative/Intrapreneural strategy to manage their operations. [See Table 4: Codes for identifying Managerial Strategies]
Company 10 exhibits several characteristics of the adaptive strategy as presented by Tell (2012). The owner expressed that good project management and client relations leads to effective communication and trust, which they found integral to allowing them to make strong creative work that exceeds their client expectations. The emphasis on client relations and communication with it is clients indicate that the company is operating with an adaptive strategy. This means that the manager projects an outside focus (client relations) and is willing to adapt and change the company’s products to fit their customer's needs.

Code words such as customer focus, outside focus and product adaptation was identified during the interview [See Table 4: Codes for identifying Managerial Strategies]. Therefore, it was determined that Company 10 adopts an *Adaptive* managerial strategy in order to grow their business.

**5.3 Analysis Summary**

Table 5 summarizes the theories analyzed and compared with the interviews’ findings. The results exhibit a majority of compliance with the existing theories. Simultaneously, some concepts have been found applicable only to certain extent while only one concept is found not concordant.

This shouldn’t come as a surprise in the research field where theories are prove and disproved in a regular basis. The main objective is to illustrate the definitions, concepts and theories that are still found to be present within the field, as well as those who are beginning to disappear or shift to other extremes.
Table 5. Theoretical Analysis Compliance

<table>
<thead>
<tr>
<th>Phenomena</th>
<th>Theory Concept</th>
<th>Author(s)</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Growth</td>
<td>The small business faces many difficulties in comparison with their bigger counterparts</td>
<td>Dean et al. (1998)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gelderen et al. (2005)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Gottfridsson (2014)</td>
<td></td>
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<td></td>
<td></td>
<td>Storey (1994)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The small business tends to operate in niche markets</td>
<td>Dean et al. (1998)</td>
<td>Some</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chaston (2009)</td>
<td></td>
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<tr>
<td></td>
<td>The small business is highly flexible in its operations</td>
<td>Dean et al. (1998)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dobbs &amp; Hamilton (2007)</td>
<td>Yes</td>
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<tr>
<td></td>
<td></td>
<td>Von Gelderen et al. (2000)</td>
<td></td>
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<td></td>
<td></td>
<td>Hansen &amp; Hamilton (2011)</td>
<td></td>
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<tr>
<td>Internet Breakthrough</td>
<td>Small businesses are using the internet as a way to compete with larger companies</td>
<td>Graham (1999)</td>
<td>Yes</td>
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<tr>
<td></td>
<td></td>
<td>Poon (2000)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Daniel et al. (2002)</td>
<td></td>
</tr>
<tr>
<td>Managerial Strategies</td>
<td>&quot;Determinants of strategy&quot;</td>
<td>Chaston (2009)</td>
<td>Some</td>
</tr>
<tr>
<td></td>
<td>The small business relies on differentiation strategies</td>
<td>Chaston (2009)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Niche market saturation will lead the small business to focus on innovation</td>
<td>Aurand et al. (2004)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&quot;Sypnoptic&quot; and &quot;Bounded Rationality&quot; strategy making in small businesses</td>
<td>Miller (1987)</td>
<td>Some</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metts (2007)</td>
<td></td>
</tr>
<tr>
<td>Managerial Strategies for Growth</td>
<td>Several factors can affect growth in the small business</td>
<td>Dobbs &amp; Hamilton (2007)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>&quot;Managerial Myopia&quot; Theory</td>
<td>Ridge et al. (2014)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>All small businesses seek growth</td>
<td>Storey (1994)</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>&quot;Noisy Selection&quot; Theory</td>
<td>Obeng et al. (2014)</td>
<td>Some</td>
</tr>
<tr>
<td></td>
<td>&quot;Resource-based&quot; Theory</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Small businesses have unique management styles for every stage of growth</td>
<td>Scott &amp; Bruce (1987)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Authors’ Own Construction
Table 6. Current Growth Stage & Managerial Strategy Analysis Summary

<table>
<thead>
<tr>
<th>Small Business</th>
<th>Current Growth Stage</th>
<th>Current Managerial Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1</td>
<td>Survival</td>
<td>Adaptive</td>
</tr>
<tr>
<td>Company 2</td>
<td>Survival</td>
<td>Simplistic</td>
</tr>
<tr>
<td>Company 3</td>
<td>Expansion</td>
<td>Innovative</td>
</tr>
<tr>
<td>Company 4</td>
<td>Expansion</td>
<td>Innovative</td>
</tr>
<tr>
<td>Company 5</td>
<td>Growth</td>
<td>Participative</td>
</tr>
<tr>
<td>Company 6</td>
<td>Maturity</td>
<td>Innovative</td>
</tr>
<tr>
<td>Company 7</td>
<td>Growth</td>
<td>Simplistic</td>
</tr>
<tr>
<td>Company 8</td>
<td>Inception</td>
<td>Innovative</td>
</tr>
<tr>
<td>Company 9</td>
<td>Maturity</td>
<td>Innovative</td>
</tr>
<tr>
<td>Company 10</td>
<td>Growth</td>
<td>Adaptive</td>
</tr>
</tbody>
</table>

Source: Authors’ Own Construction

Table 6 presents the summary of all the interviewed companies, their current growth stage and managerial strategy at the moment. This table is meant to provide the reader with a summary of what’s already been analyzed in sections 5.1 and 5.2, thus serving as a support tool for the coming section 5.4.

Looking at this table, it is important to allude to Scott & Bruce’s (1987) model where the author states that each stage of growth will have a different management style and organization. This is true to our findings to certain extent. Although different stages of growth resulted in varied managerial strategies, some strategies such as intrapreneural/innovative were found common among several stages. Nonetheless, this strategy only refers to the approach and not to the actual actions/plans partaken by the managers. Perhaps, they can use the same innovative approach but with different actions depending on the business’ needs.

In the next section, the results in Table 6 are considered to provide the suggestions for the specific managerial strategies applied for growth and in what stage their implementation is recommended.
5.4. Managerial Strategy for Growth

Dobbs & Hamilton (2007) put together a list of factors that affect the growth of small companies. Out of this list, the interviews’ outcome shows that the most present factors inducing growth among these businesses are: Flexibility—seven out of ten interviewed companies are operating with limited staff (See Table 2 for size)—, and Product Market Development—All of the companies demonstrated eagerness to differentiate their service or product—.

On the contrary, the factors found to be hindering the growth of their businesses were: the lack of desire to export or internationalize. Nine out of ten companies revealed little to no interest to take their business abroad. This could be cause by the lack of resources or “managerial myopia” as stated by Ridge et al. (2014) which implies low how-to and awareness levels about the benefit is that internationalization can provide to businesses. Additionally, Employee Recruitment and development—Five out of ten interviewed companies reported wanting more employees—, and financial resources—seven out of ten companies are operating online partially because it saves them money—.

Following this same path is the company’s growth objective. Although eight out of ten companies manifested determination to grow their businesses, there is one specific case where this drive was not found. Company 5 expressed that one of their main goals was to stay small. Growth figures were not the company’s main concern since they did not want to grow too fast. In addition, Company 5 also made it clear that their first growth obstacle so far has been themselves. That they were constantly pulling back on the reins since day one. They could have easily doubled volume at any given moment but choose not because they want to stay meaningful to the community in which they operate in. This contradicts Storey’s (1994) statement about all small companies seeking growth. Instead Company 5 is focusing on community acceptance and development rather than “noisy selection” or “resource-based” theories as explained by Obeng et al, (2014). Despite of being a young company, they have decided to slow-down their growth as their strategy to become “essential” to the community and in that way remain in business.
5.4.1. Thesis Framework: Managerial Strategy in each Stage of Growth

After determining each small business's current stage of growth and their managerial strategy, the data can be further analyzed to determine which managerial strategy is dominant or suits best in each of the five stages of small business growth. In other words, which managerial strategy is most suitable for a small business to utilize throughout their growth journey.

*Figure 4. Mayers-Curran Model of Small Business Growth Stages and Strategy Making Process*

Figure 4 represents the new model for growth according to the managerial strategy applied by the managers/owners. As its name implies, figure 4 model created by this research’ authors (thus the given name) demonstrates what management style is recommended for small businesses during each growth stage and how these strategies change or gets adapted as the firm grows. During stage 1 of small business growth—the Inception stage—it is advantageous for businesses to be innovative to set themselves apart from existing competition. Referencing Scott & Bruce (1987), in the inception stage the company spends significant efforts developing viable products/services; thus, the need to be entrepreneurial, innovative, and even take more risks is a necessity for these small businesses to grow out of the first stage. This necessity has been observed during the interviews with all ten participant companies agreeing or mentioning in some manner their determination to be “different” or “innovative” (See Appendix B for interview transcripts).
During stage 2—*Survival* stage—Churchill & Lewis (1987) state that small businesses achieve confidence in their product and possess a certain amount of clientele. Plus, the company shifts towards a relationship-management style in order to ensure customer satisfaction, revenues and reduce expenses. This is congruent with the interview results of Company 1 & 2 respectively where both managers regardless of their business young age, did mentioned having a small circle of clients which they actively try to provide with the best service/product experience. Parting from the above premises, the managerial strategies used by Company 1 & 2 (*Adaptive & Simplistic*) is found appropriate for the stage they are in, as stated in the literature. This means that companies in the *Survival* stage tend to have an outside focus to gain and retain customers and suppliers. They also tend to adapt their products to provide the best attainable experience, are more willing to continue performing and dwelling on the same strategies that provide them with success, and are more prone to focus on a single issue (usually the most problematic one, which can be witnessed in both Company 1 & 2).

During stage 3—*Growth/Success* stage—Scott & Bruce (1987) and Churchill & Lewis (1987) explain this stage as a decisive period for the company in which they have to decide whether to expand or to maintain the level of success achieved. The interview results concur with the above statements showing Company’s 5 determination of staying small and focus on community, Company’s 7 desire to grow it is employee network for the growth of the business, as well as Company’s 10 disposition to operate in a larger scale. In this regard, a *Participative, Simplistic* and *Adaptive* strategy was applied by these companies; nonetheless, Lumpkin & Dess (1995) confirmed that a simplistic strategy could hinder firm’s performance and growth if applied after certain stages of growth. This is mainly due to the low reactiveness exhibited and the single-issue focus. On the other side, a participative strategy aims towards the development of relations and collaboration between managers and employees which as Kanan (2013) states it is advantageous for managers who don't have much expertise in certain areas. Similarly, an adaptive strategy is also well fitted for this stage because of it is similar focus on customer and supplier needs; which Company 10 meets through communication and trust (See Appendix B-10). Due to the *Growth/Success* stage’s characteristics, other factors such as flexibility, and collective decision-making are considered of help in this crucial stage; therefore the application of a participative or adaptive strategy is recommended over a simplistic one.
During stage 4—Expansion stage—there is a need for more systemized administrative functions and processes. Similarly, significant organizational changes are likely to happen in this stage such as hiring professionals or considering experienced partnerships. The interview results show a preference in the use of an Innovative/Intrapreneurial managerial style during this stage, which can be noted in both Company 3 and Company 4. The interviewed companies in this stage both claimed to have hired professional personnel as well as the desired to grow financially. The innovative managerial style is consistent with Scott & Bruce (1987) and Churchill & Lewis (1987) definition of the Expansion stage as it shifts the company’s focus to an outside perspective and forces it to be proactive and “anticipatory”. In addition, due to the proactiveness challenge presented in this growth stage, it is recommended to apply a managerial strategy that encompasses partnership, innovation and new process development inside the firm to minimize the threads presented in the literature. Therefore, this makes the suggested strategy for stage 4: Innovative/Intrapreneurial.

Finally, for a small business to transition into a medium or large sized business during the last stage—Maturity stage—it is advantageous to adopt an Innovative/Intrapreneurial strategy in order to keep up with changing times, technology and increased size of the small firm. Both interviewed companies in the Growth Stage (Company 6 and Company 9) made it clear that they wanted to keep innovating and want to focus on product development as their main idea to take their companies to the next level. This goes along the lines of what’s been established by Scott & Bruce (1987) and Churchill & Lewis (1987) saying that in the maturity stage companies face issues such as sustaining growth, operation upgrading and maintenance; thus the big emphasis on innovation to keep the business running. Another reason supporting the innovative approach during stage 5 is partnership consideration. Tell (2012) confirms that through an Innovative/Intrapreneurial strategy small business can either create a new firm or innovate within the organization, hence making it highly recommended in this stage.
6. Comments/Conclusions

After the analysis of the research’s findings, answers were structured in order to shed light into the research question. Reflections about the study, limitations as well as future research suggestions are presented accordingly.

6.1. Results

Q1. What kind of management strategy is recommended for the growth of small businesses?

In this research, the managerial strategies applied by ten small companies have been identified and analyzed with the aim to establish a common strategy used by small businesses in general to achieve growth. Similarly, the authors looked into these strategies in terms of the companies’ growth stage in order to recommend a suitable strategy according to their growth stage. To reach the goal, ten small Canadian companies were interviewed and their managerial strategies have been matched accordingly with one of the Tell’s (2012) categories. In addition, the current growth stage has also been identified to provide an overview for the Mayers-Curran Model of small business growth stages and strategy making process.

To fulfill the research’s purpose, the analysis of managerial strategies shows that the intrapreneurial/innovation strategy is the most common among these types of small businesses. It was also noted as the common factor for each company’s successes in each stage of growth. As established in the recent small business literature, the innovation component is of great relevance for small firms and they appear to excel in this field (Dobbs & Hamilton, 2007; Omri & Ayadi-Frikha, 2014; Hansen & Hamilton, 2011). It is argued that the reason for this is not solely the desire to be pioneers within their fields but the fact that small businesses tend to operate in niche or less saturated markets, thus equipping them with the advantage to innovate more often. This innovative strategy shows to be suitable for different stages of growth as it appears in the maturity, expansion and inception growth stages; therefore making it versatile and efficient for the growth of small businesses. Regardless of this, an ‘innovative perspective’ was found in every researched company, meaning that a desire to be different or to provide a unique service was of great interest for all companies involved. Due to this finding, it is highly recommended to keep the innovation factor present throughout the ‘small business growth journey’.
Q2. What managerial strategy is suitable in each stage of growth?

Additionally, the resulting model for ‘small business growth stages and strategy making process’ provides an answer to the research question. The results suggested that during the first stage of inception companies are better off innovating with a new product or service, thus increasing their chances of existing within a certain market. Nonetheless, as the company moves forward to the survival stage, adaptation is still encouraged with the aim of gaining new customers and retaining the old ones. Another suggested method is to ‘keep it simple’ or use a simplistic strategy, but this will only remain viable for a short time. Moving towards the growth/success stage either a participative or adaptive strategy is of best interest. Since companies in this stage usually decide whether or not they will expand; the support provided by these two strategies in terms of employee relations, decision making, and marketing are of significant help. Towards the fourth stage, companies are encouraged to fully implement an innovative strategy once more so as to ‘creatively’ deal with the managerial and financial problems. This same innovative strategy should be carried out during the final growth stage as well so as to remain competitive.

In conclusion, this research serves as a starting point within the small business managerial strategies being currently applied in the field. Rather than a development of theories, the authors have created a model that helps guide future and current entrepreneurs in managing the growth of their business. In addition, the interviews serve as an inspiration for future business owners since they all mention their origins and struggles which can be a point of reference for many entrepreneurs. To the authors’ opinion, the most difficult part to start a business is to keep it running. This has been the main motivator for this research and the reason why the development of a guideline for the management of your business at every growth stage is considered pertinent.

6.2. Reflections and Study Implications

An in-depth explanation of managerial strategies for the growth of small businesses has been introduced in this study and therefore presenting several implications for the current literature, management styles and the society as a whole.
The small business field is varied and unpredictable since it relies heavily on different factors such as industry, service, number of employees, expertise, etc. Accordingly, every small business owner relies on its own experiences and background to create their managerial strategy to grow their operations. These operations at the same time are shaped by the owners/managers experiences, thus making the strategy making selection process abstract. On the other side, the literature has helped to narrow down the managerial strategy selection process creating several models, theories and diagrams with the finality to explain how these strategies work in the small business sector.

Reflecting on this study, the conducted interviews provide validity to our study because of the detailed information obtained. Growth represents a broad definition that accounts for many variables such as revenue, employees, facilities, etc. Thus, the cross-sectional design applied to this research is believed to aid in the specification and focus of the company growth in terms of size. The mentioned methods supply reliability to the findings and to the overall study conduction. In continuation, the authors have targeted the rather ‘inconvenient’ segregation of this field to develop a common model for every small business to apply as a guideline for growth. This study has shown the relationship between each managerial strategy according to their stage of growth, as well as the overall stand of the small business sector in relation to larger businesses, resources, flexibility, management style, technology and growth. Managers are encouraged to reflect on these factors when the time comes to decide the best managerial strategy to operate the firm. Because of these, the study makes several contributions from a managerial, theoretical and societal standpoint:

From a managerial standpoint, this study presents a tool for managerial strategies to influence the growth of the business. Small business owners can apply the model to their managerial operations according to their growth stage, as opposed to being stuck in the same simplistic strategy that initially led them to success but may not be the best strategy as they grow because it could hinder them from adapting and growing as a business as their environment, demand, consumer demands and production all change. This is found to be of high relevance in the survival of the small business, particularly if the business is young or just starting. Even medium sized or large companies can benefit from understanding the differences of applying and adopting different managerial and business strategies as the business, company or
organization grows. A new department or product line, even in a multinational corporation, can still act and operate similarly to a small business. The analysis provided constitutes a mean of self-evaluation for small business managers. Hence helping them assess their own strategies being applied at the moment for the better growth of their businesses.

From a theoretical standpoint, this research resulted in the development of a model for strategic management according to the growth stage of every business. This contributes to the literature and theories already established such as Tell (2012), Scott & Bruce (1987) and Chaston (2009) about the small business’ strategies known targeted to growth. In a similar manner, a deeper understanding regarding the motives for growth has been suggested based on the contrasting results found. The research undergone in this study was across varying industries, thus the results could have implications regarding the relevance of the operating industry. Perhaps it is the business strategy that has the biggest driving factor behind small business growth. This in turn is contributing with the future literature development in the small business field.

Lastly, the significance of the small business in society has been stated in this research marking their contribution to innovation, employment and GDP. Therefore, the better management of these companies as well as their growth and survival ensures profitability and job creation for the community and future generations. This study has helped shed further light onto the driving forces behind the understanding of entrepreneurs and how to start, survive, grow and expand a small business in today’s modern economic marketplace. The need for research into this field of study is more pertinent as it ever has been. Small business owners have to understand that having different strategies depending on their current phase of growth will be an outcome for their business and have a positive effect on growing to the next stage of small business growth.

6.3. Limitations and Future Studies

The study method applied was suitable for the conditions presented in this research. Semi-structured interviews were found to be the most competent approach for the study purpose. Nonetheless, the study was presented with some geographical, time and method limitations. For instance, the participating companies are exclusively from Canada. In a similar manner, the chosen methods for the conduction of this research were shaped by the time constraints. Perhaps, the authors could have found different small business from different countries with a larger time gap. The results, nonetheless, are still representative and relevant since the validity
and reliably of this study have been monitored. This was achieved through the supervision of the interviews’ uniformity; question wording; answers obtained and transcription published both online and in the Appendix.

Due to the above limitations and the results found, the authors suggest the inclusion of a bigger sample size across geographical locations. Research can be undergone to determine if the results from this study pertain to only Calgary, Alberta or Canada as whole, that is to say, whether or not the results may vary depending on geographical location. To further that point, the cultural factor on some level has to be put under a scientific lense to determine if the results from this study and the results from Tell’s (2012), who found most small business owners adopting a simplistic strategy, is a matter of culture. Consequently a comparison between cultures is of great interest in furtherance to discover new trends in managerial strategies across different countries. For example, Can the results be replicated utilizing small business participants from Asian or Latin American countries?. Tell’s (2012) and Scott & Bruce’s (1987) research on small business growth and managerial strategies were also solely on small manufacturing businesses, thus encouraging detailed research in other specific industries.

Additionally, a quantitative study would provide more reliable results as to what strategy is most used given a specific growth stage. Although this type of study might be challenging to conduct due to nature of the small business topic, the completion of such research will serve as a support for the qualitative data obtained. A bigger quantifiable study can also contribute to the validation or rejection of those theories that were found to have ‘some’ compliance as it will allow to easily recognize these trends.

The desire of all small business to grow is recognized in the literature; however our findings revealed that this might not be the case with all small companies. In fact, some of these businesses are holding back their growth or actively avoiding it. This has been found to be contradictory to the literature and therefore, further studies are highly encouraged to research this ‘trend’. Finally, a follow-up or longitudinal study is of great interest to test the efficiency of the model. Perhaps, the same participating companies could be reached in a period of one year or more in order to confirm or oppose the results of this research. It would be interesting to measure how much growth was achieved by using this model if at all. This, in turn, provides possibilities for improvement and new theories.
## Appendix A - Interview Questions to Small Business Owners

### Section 1

<table>
<thead>
<tr>
<th>Question 1</th>
<th>Describe your small business and what service or product does it provide?</th>
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<tbody>
<tr>
<td>Question 2</td>
<td>What is your role(s) within the small business? Owner? Manager? etc.</td>
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<tr>
<td>Question 3</td>
<td>How many employees are there?</td>
</tr>
<tr>
<td>Question 4</td>
<td>Does your company earn less than 1,000,000 CAD or 6,000,000 SEK per year in annual revenue?</td>
</tr>
<tr>
<td>Question 5</td>
<td>How is your business funded?</td>
</tr>
<tr>
<td>Question 6</td>
<td>Is this your full time job? If not, how many hours per week do you spend working on the business?</td>
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<tr>
<td>Question 7</td>
<td>Who are your customers and how do you provide value for them?</td>
</tr>
<tr>
<td>Question 8</td>
<td>How long has your small business existed for?</td>
</tr>
<tr>
<td>Question 9</td>
<td>Where is your small business currently at in terms of number of employees, number of products, levels of revenues, number of clients or customers?</td>
</tr>
</tbody>
</table>

### Section 2

<table>
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<tr>
<th>Question 10</th>
<th>What type of managerial style do you implement to manage your small business?</th>
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<tbody>
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<td>Question 11</td>
<td>What have you done to take your small business to the level it currently is at?</td>
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<tr>
<td>Question 12</td>
<td>What strategies have you implemented?</td>
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<td>Question 13</td>
<td>What level do you wish to grow your small business to?</td>
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<td>Question 14</td>
<td>Is there opportunity to grow your business?</td>
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<td>Question 15</td>
<td>At what point would you cease to consider your small business a small business?</td>
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<td>Question 16</td>
<td>What factors or actions must you undergo to take your small business to the desired level of growth?</td>
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<td>Question 17</td>
<td>What are the factors helping or hindering your growth? Both internally and externally?</td>
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<td>Question 18</td>
<td>How will you overcome these barriers?</td>
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<td>Question 19</td>
<td>What strategies have you decided are the best for growing your small business?</td>
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<tr>
<td>Question 20</td>
<td>Have you adapted your managerial strategies as you have grown?</td>
</tr>
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**Appendix B - Interview Transcripts**

1. **Company 1: Timberline**

(Outline to interview [https://www.youtube.com/watch?v=qd5r73xJPtQ](https://www.youtube.com/watch?v=qd5r73xJPtQ))

Interviewer: “Well, it sounds really interesting. How many owners are there? Is it independently owned?”

Interviewee: “Yep. There are three of us. Three guys all originally from eastern Canada. We’ve all been skiing since we were kids and we have all varied skillsets as well. You know, one of the
partners is really good on the tech side of things, I focus more on the administrative and sales aspects. The third guy has a lot of the hard skills that makes him a great instructor and a great trainer for the guys. So yeah, we have a very good team all with very complementing skills, which has been really great so far.”

Interviewer: Is this you guys full time gig or is this more of a part time thing?

Interviewee: Well, because it is a seasonal business it is more of a part time thing

Interviewer: [...]How do you provide your customer value compare to your competitors?

Interviewee: [...] There were similar companies operating that were bringing people over, young people over on the gap years and putting them up in hostels and organizing them, a few ski lessons and some social events and that was pretty much it. These companies were all based in the United kingdom and New Zealand. [...] The reason why we are able to provide a lot more value it is because we actually live here and we’ve here for quite some time now, know a lot of the service providers, know the area and how that manifest it itself is that we are able to take people on trips all throughout the Rockies, we are able to offer more certifications, more experiences because it is a lot easier for us to organize that from our backyard than it would be from our competitor to organize that from an office building in London. And that it is where the idea of the company came from.

Interviewer: At what stage would you say your business is in at the moment?

Interviewee: We are still pretty early, it is our first year. We are really focusing on executing really well in our first year making sure that everybody had a good time.

Interviewer: What are some of your goals at this level?

Interviewee: One of our biggest goals with what we are doing here is taking the traditional ski instructor training course [...] and basically taking that and adding an outdoor education component that is absent from a lot of our competitors’ programs. One of the things we are most excited about is that we’ve been able to work out some deals with a couple of universities where we are able to give our clients the opportunity to earn university credit is while they are here and that’s been a big step in our industry that is unique. [...] We are very excited about expanding our outdoor education as part of what we do.

Interviewer: [...] Tell me about some of your ideas for growing the company it itself?

Interviewee: Absolutely! So first things first we want to work at the core of what we are doing in our backyard here in Banff it itself. Banff has 3 world class ski resorts here and has a very long ski season [...] so we are trying to work out how we can take advantage of that. And then in terms of expansion plans, once we figure out the (11:44) we are going to expand to other resort towns in western Canada, methodically picking the ones that are going to give not only a combination of an awesome town to live in, excellent accommodation but most importantly really great skills training, really good outdoor venture experiences and opportunities for outdoor education. [...]In terms of the administrative side, we will probably going to start hiring employees in the next couple of years. Basically, identifying areas that you can take what is going well with your company and applying them to a new setting whether that would be
Whistler, Revelstoke, or Golden B.C. where there are amazing ski resorts. Just doing it in a methodical way so that you are still offering just as much value in those places as you would be here in Banff national park.

Interviewer: How would explain or define that managerial strategy that you guys are using to grow your business?

Interviewee: You need to offer a lot of value in what you do and you need to execute on it. You also just need to provide your clients an amazing experience, they leave at the end of the day feeling great about what they did, they met new people, they has amazing experiences, they feel that they really got value for their money and their time. [...] and at the end of the day from a management perspective we believe in what we do and we want to sleep well at night knowing that we provided a consistent and amazing product every ski season. From a manager perspective, it is really simple, just execute and deliver what you say you are going to.

Interviewer: What factor would you say are helping or hindering your growth? Are they internally within your own company or external? What are some factors that are really going to help or not when it comes to growing your business?

Interviewee: I think one of the biggest advantages that we have for us and I would urge this with anybody else starting a small business is picking partners that have complementary skills to your own. All three of us have very complementing skills that really help us be a well-rounded company and a well rounded philosophy on what we are doing. From an analytical standpoint, one partner is very strong at that. From the sales perspective, some of the partnership is really good at that. Strategically it really makes sense to have complementing minds. In terms of hindrances, we are a company that is at the end of the day an export product. Skiing is an expensive endeavor so there are a lot of external factors that affect what we are doing kind of in a macroeconomic way. However, the price of oil is going down, the Canadian dollar is going down, the ski industry is doing really well in western Canada. There are many big factors that can rather affect the business.

2. Company 2: Edna Jean Vintage

(Links to interview https://www.youtube.com/watch?v=g48j4bSuk_Y)

Interviewer: Can you tell us a little bit about your customers and your clientele, you said women were mostly interested in fashion; could you elaborate on that more?

Interviewee: If we are looking at what my ideal clients would be, I would say that is somebody that values well-fitted garments; I would say my ideal clients also appreciate trends that never fail. [...] anybody could wear the clothing but I would say that women in their 20s, 30s is my clientele. Also, someone who just isn't afraid to spend a little bit more money so it is basically people who don't want to go to Goodwill themselves but they love having a great classic piece that you will not be able to buy at, let’s say, Forever 21. They want something unique that no one else in the world has so that is where I go through and dig with my eyes to find those pieces. So basically, unique individuals.
Interviewer: How come you decide to start this? How come you decided to go with the online platform?

Interviewee: For the online platform specifically there is very little overhead so for me to work from my home which I was already doing as I do some sales for some contract work, some for a PR company in Calgary, as well as I have been already started working in the fashion industry with a friend of mine. We were working from home so I knew that I could work from home and I know that some people struggle with motivation but I knew I could do that. There is very little overhead online so you do not have to have employees at a shop at a certain time.

I started the company as an epiphany I would say. I woke up one day and realized my closet was overrun with vintage clothing that I’ve been collecting over the years and honestly pieces that I would just not feel comfortable giving them away, I wanted them to go to a good home but I honestly didn't have room for it and I realized these pieces needed a good home [...].

Interviewer: Can you tell us how you are planning to expand your business? How are you going to grow it?

Interviewee: That kind of the stage I am at right now, how do I drive more clients to my shop which means I get to go out and do my favorite thing which is search for awesome pieces. So there is a few thing like I said there is a few markets coming up in the Calgary region so I’m going to be at a club called Commonwealth in Calgary which does this thing called “Commonwealth collectors” one Sunday every few months they do a sort of market where different artisans and people who have either jewelry and pieces that they make themselves. So I’m going to be there and I’ll get an opportunity to see firsthand what clients are thinking, have face to face conversation and see if this is too expensive for my key clientele cause the people there are the people I’ll be looking at, the people that are interested in this market. [...] so basically being there and doing more of that face to face is going to be the next step to expanding in addition to my online business. [...] Making sure, I am on social media and connecting with other vendors, potentially jewelleries that I can do collaboration with.

Interviewer: If you could tell us, a little bit about what kind of managerial strategies you have to rather achieve your growth goals?

Interviewee: well, my managerial style right now is managing myself and my time. I have a part time job at the moment and a few other things, so I’m really making sure that I’m on point with what I’m doing and I’m getting my shipments out, setting up my social media and really managing my own personal time. Right now I'm the only one provider. [...] the way that I have been managing myself is setting up timelines so I actually will set in my calendar [...] and making sure that is consistent because especially when you look at social media, that is important.

Managerial style quite layback I would say too.

Interviewer: yep that is a managerial style it itself.

Interviewee: yeah so lay back but consistent and I mean really as an entrepreneur you have to be accountable, you have to make sure that you are the only one you are answering to.
Interviewer: What do you see as a potential threat to your business’ growth either internally or externally?

Interviewee: So internally it would be if I were to be offered another position. I’ve been applying to jobs with apparel companies. So if I were to get a full time job, I could see that stifling the growth as I might not be able to be as consistent or have as much flexibility as I have at the moment with the business. External I would say a big challenge or thread that might happen is the rising amount of online shops and the amount of individuals that are flooding Tumblr and Instagram with vintage clothing, and really trying to compete with people that have been doing it consistently and have a great client base, that might be a big thread. People just become complacent to seeing to many other products. So for me the overhead is pretty much nothing so for me to keep it going it would just be growth. Also another thread would be if Etsy were to shut down then I would have to create my own platform.

3. Company 3: BluPlanet Recycling Inc.

(Link to interview https://www.youtube.com/watch?v=g48j4bSuk_Y)

Interviewer: Could you tell us a bit how you guys got started?

Interviewee: Sure. The genesis of BluPlanet Recycling is well I was working in a big investment firm, I wasn't really happy in that industry. Around that same time the city of Calgary rolled out a door-to-door collection service for single family residences. They were providing what’s called co-mingled recycling which is a mixed material recycling where you don't have to sort different components. They didn't provide that service for condos which meant condos were having it a little harder, but nobody was offering that same service the city was providing. So it opened up a little of an opportunity for a company to come in and start…[sound interrupted]

Interviewer: I think I got a little interruption in the connection. So you were talking to the condo managers?

Interviewee: Yeah, so essentially nobody was able to provide the type of service we were looking for so we identified that there is a market opportunity to step in and provide this type of service that the city was providing to their single family residences, we would be able to provide that for condos. So we took on one building to start with to see how we can develop our strategies and develop the type of service we were going to offer. It took us a while before we started to understand what our marketing strategies were going to be and how we were going to sell the service. Over the next couple of years we started to gain traction within the property management community so we started working with condominium managers that were taking our service offerings to their words and where we really grown our business.

In the last year, we’ve been working with the city of Calgary to develop the long term strategy for condominium recycling and what they decided is that they are going to mandate this service at the end of the year meaning that all condominiums are going to have to hire a product service provider and have the services we provide and that has really been driving growth for us.
Interviewer: Could you tell us a little bit about the managerial strategies that BluPlanet had to implement to gain this sort of traction?

Interviewee: As I mentioned, my background is finance so I identify areas in the business where I get to apply my experience and my education. My first business partner he comes from an engineering and design background and then later on we brought a third partner and he had more experience in managing small business. Between the three of us, we covered most areas, there are other areas where we did not have much experience like human resources. That’s an evolving process learning and developing human resource strategies. It can be a tough market to try to find and retain employees, so we are always trying to improve our HR strategies.

We started a process early on in the business that we always try to evolve and get better in every single area and we are trying to analyze everything we do. Our operation are marketing efforts, administration systems, our community resource system and always trying to make improvements. We are learning as we go, many things we brought in like certain experiences and education but a lot of it is an ongoing evolution.

Interviewer: Could you tell us what are sort of your business growth plans for BluPlanet? How you want to expand the business and how you have expanded the business?

Interviewee: We are kind of in the position of a land grab so right now our growth plans are primarily just expanding existing business lines. Once that two years process is done, so the first one is mandated multi-family recycling, that is our market so we are going to capture a certain amount of it. Following that is mandate for commercial spaces, we are the right provider for a lot of that market, we are working with property management companies to develop systems for their businesses like office towers or little commercial spaces so we are going to capture some of that market. After that is the combustible organic strategy, the mandate is coming a year after so we have to come up with systems that capture that material stream from all these multi-family residences, all of these businesses. Through all of those product lines we already offer, we are probably going to triple size in the next two and a half years. We are expanding our administration and operational capacity.

Following that the plan is to grow vertical. I do not think we are going to grow horizontally for a while. I do not think we will be in other markets, it is just excessively big. [...] Following that the plan is to grow vertical. I do not think we are going to grow horizontally for a while. I do not think we will be in other markets, it is just excessively big. [...] Following that the plan is to grow vertical. I do not think we are going to grow horizontally for a while. I do not think we will be in other markets, it is just excessively big. [...].

Interviewer: Where do you see the biggest opportunity for growth? Is it the commercial side of your service or is it the residential side?

Interviewee: Long term probably commercial. The residential side of things is going to happen and we are going to grow to a considerable extent over the next year in that market. [...] the commercial side of things is really big market and compostable organic within that market is massive, so a large percentage of the waste that goes to the landfills is compostable organic material. Once you get the things like paper, cardboard and plastics, the next big component is compostable organics.

Now it is really heavy and it is hard to deal with without good automated equipment, so it is expensive to provide that service. Once it is mandated, it is going to be the big growth component and it similarly has challenges for companies who has one-size-fit is-all approach. You need higher level of customization to effectively create compostable organic collection
system. It is a prime market for us to go into and we are working with a lot of people in developing systems now but when that comes in, that would be the single largest push for growth that the company experiences.

Interviewer: Is there anything else you want to add?

Interviewee: [...] for us right now, we are just trying to keep our focus on trying to fulfill our growth right now and that is a fun challenge.

4. Company 4: Surex Direct

(Link to interview https://www.youtube.com/watch?v=kPld9jNyqtQ)

Interviewer: When you people first started, there weren’t any insurance companies available in Canada?

Interviewee: The insurance industry in Canada it is traditionally been dealt with through brokers. Anyone in Canada will go through the local broker, walk in, deal with the same person on a local level. What started to happen it is a Surex, we called it a direct writer to get this popped up like TD bank, now Surex insurance; they sell insurance direct. AMA, State Farm came up to Canada, so over the last say 15 to 20 years slowly the broker channel has started losing market share to this direct writers.

About four years ago, I owned a direct marketing company down in the states and my friend owned a traditional brick and mortar insurance office in Alberta, and we started looking at the market and kind of what needed change. Obviously, millennials where getting more and more relevant in the market wanting to buy insurance and we just rather felt like it was a perfect opportunity. We looked at Progressive.com, Geiko and E-ssurance and those are all direct sellers of insurance. And in Canada what we basically did is we created a hybrid model: the technology, the online 24/7 ability but then also pair that with a true broker experience, being able to do a quota online but receive seven different prices not just one price. Also be able to have a personal broker that gets assigned to you when you get an insurance quote. Therefore, we are able to maintain the things that people like about being a broker but at the same time, we give them the convenience of a direct writer.

Interviewer: How many employees work for your company?

Interviewee: We have 32 people right now.

Interviewer: Are they all based in Calgary?

Interviewee: We have an office in southern Alberta and some of our workers, some of our office staff work here. We hire brokers that work off site, so we have workers in Edmonton, Calgary and Colorado. I have a broker that lives in Colorado that sells Canadian insurance but works out of his home office. So when we look to hire someone we don't necessarily look for someone that has 30 years of insurance history, we want to hire the right personality someone that has the same values as us, and is going to be really accessible to their clients and then teach them how to do insurance stuff. It is a little opposite of traditional insurance carriers since they always want to hire someone that has experience.
Interviewer: Have you guys had any other online competitor or is your main competitor strictly the main guys like you said before?

Interviewee: We haven't seen anyone else that does the exact same thing as us. We obviously have traditional brokers that have been in business for 80 years that throw up a website and claimed: hey! we are up online because maybe they provide online quotes.

We are a full start to finish experience so not only you get to place the quote, you can purchase it electronically signed, print out proof of insurance, login later, file and clean, manage a policy so there isn’t anybody yet that’s popped up. We rather look at Travelocity what Travelocity did down in the states when they first started. They basically put the travel agencies out of business. We feel like our model over time has that potential. We actually sought out some consulting with a person name Terry Jones, he is the founder of Travelocity. We met with him for a day at his house and got some consultancy on the kind of pitfalls and roadblocks that he experience when he started that company. There is nobody exactly like us.

Interviewer: I would like you describe the managerial strategies that the company has implemented?

Interviewee: With any company that I have started or been associated, I think your management style directly is correlated to your compensation plan. So people will act how you want them to act based on how you are compensating them, how you are paying them. We have tried to establish motivation as owners of the company so that our brokers that handle day-to-day customers are just as motivated, they care just as much about answering an email at ten o’clock at night if they have a customer that needs something to re-shopping somebody on renewal, to saving somebody from cancelling a policy.

So really, it is how we set up our compensation. I would personally rather have a small piece of a bigger pie, than a really big piece of a small pie. We compensate our brokers extremely well, more than anyone else in the industry and because of that we can demand high expectations. They (employees) feel like they’ve invested. The way we contract with them and the way we give them bonus based on equity. We do not give them equity but we rather give them a little bit of an equity bonus so if they decided to walk away from the industry, they will have a little bit of a buyout and they feel like they built something. So that’s really important for my management style, other than that I try to not micromanage people but definitely people understand what my big values are and let people govern themselves. Teach them what they need to do, give them all the training and support but really empower people to come up with good ideas. One thing you find with big companies, we have for example the insurance company in Canada that is very large and they are trying to do online insurance and they are coming to us asking us: “how you do this, how you do that” and I just laugh, I just say: “you guys have billions of dollars, you guys should be able to figure it out”. This is because we are small and we can react quickly to things we can test, we can take risks and if it does not work, it is ok, whereas a big company it takes nine months to make one decision. Innovation is quashed and that’s one of the big things we learned from Terry Jones, the manager of Travelocity. He wrote a book about innovation and what you need to do as a manager to keep the innovation alive. That’s really what we are focus on trying to let people feel like they are entitled to voice their opinion.

Interviewer: In relation to growth, where do you see Surex Direct in the future?
Interviewee: We are reinvesting heavily. Lans Miller, my business partner and I from day one we have not actually taken a paycheck from a company. Every single penny we make, we reinvest so we are reinvesting really rapidly right now on software development. We are rebuilding our core systems so it is going to allow us to be more scalable.

Our original software that we built we did not really understand what we were building, we were on a tight budget, it is more of a really good sales tool. However, a new system we are building is going to allow us to bring up a lot more groups, affiliates. I hope the next few years we will be in hundreds of car dealerships across Canada where if somebody test-drives a vehicle they can instantly with an app at the dealership put in vin number and see which vehicle is cheapest to buy and for insurance [...] We are the fastest growing insurance provider in Canada, we are definitely not the biggest but I see us not stopping until every Canadian basically understands that there is an option to go online.

Interviewer: So what do you see as your biggest blocks both externally and internally?

Interviewee: Internally it is creating the right systems so we can move rapidly. For instance, with this new software we are going to be able to go out and bring more a lot more leads generation that we have now. So just to bring in a lot more new brokers, train them because we hire people with no insurance history. What's the fastest most efficient way to onboard new brokers and get them in the system. We just hired our first kind of middle manager, I hate that word, I hate middle management but we just hired our first person so for me it is just how do we maintain innovation and be able to react rapidly while we grow but still hire managers.

Every few month we are restructuring a different department or trying to figure out the best way to do it so for me it is just how do we scale this, how can we do ten times what we are doing today.

5. Company 5: Village Brewery

(Link to interview https://www.youtube.com/watch?v=MeCMEENtl5o)

Interviewee: How does Village stands out against the other guys?

Interviewee: We had the granddaddy of breweries. Ed started a brewery in 1995 so that brewery it is known for a while, it was pretty new and for Canada is one of the leading ones. Seven year later Wildrose started and they are about 18 years old now so yeah, those were the two breweries in Calgary that have been around for a long period of time. We were the next brewery that came after [...] We have two products one is making beer, the other one is the product of gathering people around community. We actually put the gathering around community as one of our core, it is whom we are, how we are. When we started the brewery, the six partners, we did quite a bit of work at the beginning. We had a collective 150 years of beer experience amongst us and we did not just want to put together another brewery, we wanted to actually do something more meaningful almost create a movement. Therefore, when we started the brewery it was an imperative that all our focus is on building a community. In addition, that I think it is what set us apart. We consider ourselves equal parts beer making and friends making more than the other people out there in the market do.
Interviewer: What are you doing different that these other guys aren't?

Interviewee: We get involved with the community, we support the community. It is the degree and the nuance the primary function. When we built the brewery, the six brewers had to make a decision on how to finance the brewery. We thought we do it ourselves with help of the bank, but then we thought that maybe we would try a different approach that if we were actually honest in our desire to grow a community based brewery then probably the best thing to do would be to include the community. We took a portion of the brewery 40% and put it up as a limited partnership and invited people in Calgary that were doing things to make Calgary a better place, so by inviting them we found what we call “beer balance” --people to invest in the brewery-- but they had to be people that were doing something. [...] Therefore, we got all people out there who are on a daily basis working towards a common goal, which is making Calgary a better place. [...] When we say we participate, it is more than just supplying beer for an event, we will help set up the even or send our people to participate in a meaningful way and those are the biggest differences. They are nuances but they are fairly important nuances.

Interviewer: About you managerial strategy, you talked a lot about you and your six other co-founders. How does the decision making process work? Tell us more about the managerial strategy.

Interviewee: it is completely flat. When we started the brewery we started to move very fast because we were six partners who were very different in their skill sets. So I’m a 25 year experience marketer. Tom has been in the restaurant/bar industry for 25 years. From the sales and community side he’s got that figured. Steven is the MBA kind of person in the business and Alex is in the operational side. Tim who is the CFO of the brewery has started many companies so he has the finance side, we got Larry who has been a 45-year brewer so he got all the brewing and production expertise.

So when we founded the brewery, I would go out and do my part and then come back and do these meeting were I say he’s what I’ve done and they would say here’s what I’ve done. Only when there was a really big decision to make then we trusted each other to make good decisions because we had very high qualified guys. We were able to just operate that way, I mean we still continue to operate that way today. A lot of it is based on trust. We recently hire a man his name is Steve, his role is basically to be our business manager, he has the day-to-day operations because a lot of us have other things going on. So Steve is in there now operating the day to day management and managing us. It is a very simple organization, everybody has it is major expertise. Major decisions we come together.

Interviewer: Do you think you can keep this flat hierarchy as you get bigger?

Interviewee: Absolutely, it is going to get easier because we are going to get more and more removed as different staff take roles that are more different. Starting up with a Brewery, building the brand, building the identity, and building all the moving parts to create the story, it is very different than maintaining the story, finding new ways to maintain meaningfulness. Those are two different worlds. It is one thing to start it and another thing to keep it going. Now my responsibilities are changing in terms of if we are continuing growing how are we going to be able to still be meaningful and that is very different than trying “this” because it is brand new.
I think our roles are going to be the same. I think what we probably going to be working on will always be changing, therefore the way we have it now might shift in ways of functionality but the way that we operate together it is not going to change.

Interviewer: Tell us more about some of your goals for Village.

Interviewee: One is staying small. Stay small means stay small in how we think of ourselves. Growth can happen, will happen and will continue to happen but I want us to stay small in mindset. I want to know that we are meaningful. We have numbers that say what our projections are going to be, but those are mainly so our beer guys know how much beer to make so they don't run out of beer for our customers. […] We have some growth figures but they are honestly not the primary number. The primary number is what are we doing to make we are doing important stuff like is our staff happy, do they feel engaged in making decisions, and are they getting opportunities. Calgary is going to continue to grow, our sales are going to continue to grow, I cannot put, and I do not want to put numbers against it.

Interviewer: Can you talk a little bit about the obstacles that might come in the way of achieving your growth goals.

Interviewee: The first growth obstacle so far it is been we. Imagine somebody riding a horse and always pulling back on the reins that are what we have been doing since day one. We could easily double our volume right now but we chose not because we wanted to be meaningful. We never wanted to run out of beer. We have not open up channels, we have not been pushing hard on sales areas simply because we do not want to grow too fast. Therefore, when you ask for obstacles, it is definitely us because we are trying to stay meaningful.

Second challenge from our perspective, we are very excited about the increase in conversation about better beer, craft beer and beer in general. What’s holding us back is that we have too much in-fighting, big beer vs small beer. […] our market for us is a very difficult one in Alberta because there is no real reason for me to want to grow; the amount of money I lose just by growing is not worth it. If we were to grow, we would grow really fast and that’s dangerous for me in terms of my police-system.

The other part would be that there is an open market here in Alberta and there is so much competition from elsewhere. They will get benefit is from their own markets and then get the opportunity to sells their beer cheaper here. It is a pressure on price and a pressure to be competitive, so those two factors from a regulatory perspective makes it challenging. An open market it is great if you have the capacity to sells to a whole bunch different people. We are not panicking over any of the challenges because we are not too concern about major growth.

6. Company 6: Anonymous restaurant - Calgary, Alberta, Canada

Interviewer: What is your small business and what service or product does it provide?

Interviewee: We are an Irish bar and restaurant, a pub that focuses on staying true to the tradition of authentic pubs in Ireland. We are located in Downtown Calgary and cater mainly to the Oil
and Gas professionals. We opened the pub in 1997 and have been a family run business ever since.

Interviewer: What is your role(s) within the small business? Owner? Manager? etc.

Interviewee: Together with my wife, we are the owners, founders and general managers.

Interviewer: How many employees are there?

Interviewee: On average there are about 45 full time staff, because this is a high turnover industry, our number fluctuate depending on the season, with more staff working for us in the summertime when we have our patio opened compared to the winter months,

Interviewer: How is your business funded?

Interviewee: We started the restaurant with a loan from the back, but now we fund everything ourselves.

Interviewer: Is this your full time job? If not, how many hours per week do you spend working on the business?

Interviewee: It is my full time position as well as my wife’s full time position. In the beginning when we were still learning we would easily spend over 120 hours a week between the two of us. It was difficult at the beginning but we were very lucky and became successful. Once we understood the restaurant business better and had all our systems and operations figured out we were able to hire managers to take some of the responsibility away from us.

Interviewer: Who are your customers and how do you provide value for them?

Interviewee: Our customers are mainly Oil and Gas professionals who are looking to come in for a corporate lunch, to no be bother by loud TVs, or servers in scantily clad outfit is. We are a gentlemen’s pub in between fine dining and a bar. We provide value for our customers by focusing on four key elements: pub design and the ambiance it creates, friendly, efficient bar staff -the Irish are renowned for their humour, the unique appeal of hearty Irish food and drink, and Irish music.

Interviewer: How long has your small business existed for?

Interviewee: We first opened our doors in 1997.

Interviewer: Where is your small business currently at in terms of number of employees, number of products, etc.?

Interviewee: We currently have just the one restaurant with 45 full time employees. Before we had another additional restaurant but sold it to focus on our main establishment.

Interviewer: What type of managerial style do you implement to manage your small business? Hands on? Micro Manager?

Interviewee: I believe in giving employees roles rather than titles. Once you give an employee a title they become just that “entitled”. They feel as if they deserve more than they earn. However
if you give an employee a role or a responsibility, it is amazing how much pride they take in that role. Once we delegate the necessary roles to everyone, our operations works rather efficiently with everyone doing their respective jobs.

Interviewer: What have you done to take your small business to the level it currently is at? What strategies did you implement?

Interviewee: The pub was created with a focus on staying true to the tradition of authentic pubs in Ireland. We have collected hundreds of artifacts from Ireland’s history, from childhood schoolbooks to her penny-farthing bicycle to vintage beer and whiskey ads, in order to make every wall in The James Joyce a wonder to behold.

The entrance features an authentic tin ceiling with elaborate Victorian light fixtures and an original hand laid mosaic tiled floor. The rich mahogany of the Victorian Bar compliments the turn of the century plate glass mirrors and the ornate stained glass which separates the different snug areas. All this is complemented by original works of Celtic art and craftsmanship by local Irish artists and designers.

Our main strategy was always to be as authentic as possible and let the food, drink, atmosphere and overall experience speak for it itself. This can help us differentiate ourselves from other higher end restaurants downtown.

Interviewer: What level do you wish to grow your small business to? Is there opportunity to grow your business?

Interviewee: We initially wanted to expand our restaurant to create a branded franchise. We did this by opening a second location in Calgary, however we decided to sell that restaurant in order to focus on our unique brand. We now want to focus on growing a current clientele, we have done this by serving breakfasts in the summer months, by including traditional Irish jam music sessions, offering whiskey tastings etc.

Interviewer: At what point would you cease to consider your small business a small business?

Interviewee: If we have franchised out and opened ten or more locations than I think, you could have called us a medium or large business but with just the one location, I think we will always be a small business.

Interviewer: What factors or actions must you undergo to take your small business to the desired level of growth?

Interviewee: We have to keep innovating. We have to find different ways to differentiate ourselves from the other restaurants in the downtown core. For example we don’t have TVs, play the hockey games or even have bottled beer. We want to make our pub a place where you can go and actually have a conversation with people-

Interviewer: What are the factors helping or hindering your growth? Both internally and externally?

Interviewee: Internally, staffing can be an issue. Because it can be difficult to maintain consistent staff we have had to hire foreign temporary workers. Adapting them to a Canadian work
environment, especially one with an Irish atmosphere can prove to be difficult. Externally, when the local economy suffers, the amount of professionals going out for business lunches and dinners decreases. For example with the price of oil being so low currently, a lot of major Oil and Gas clients have limited their visit is in the restaurant.

Interviewer: What strategies have you decided are the best for growing your small business?

Interviewee: As we said previously, the strategies that are best for growing our business is remaining innovative, especially in tough economic times such as now. If we can keep true to our core values and innovate in a way that offers customers an experience then they cannot get anywhere else then we will be successful.

7. Company 7: Kait Moffat.com

(https://www.youtube.com/watch?v=5iYIMeDNwaY)

Interviewer: How do you find the competition? Are there a lot of people like you out there?

Interviewee: Yeah specially with resources like Enlace my industry is very flooded and that’s why I feel like I need to bring something else to the table, and I need to be able to develop something that sets me apart from that. That’s why I want to get more into web development and potentially app development and just to add that extra element to it because my industry is in fact so flooded with people.

Interviewer: What things have you done to differentiate yourself from the competition?

Interviewee: I like to have more of a personal experience with my clients, I like to be in contact, I like to skype, phone, I like to have that constant interaction where often times people would just assign a task and say “here you do it and report back when you are done”. I like to have more of the face-to-face.

Interviewer: What is the big ticket item of your work?

Interviewee: Definitely social media. Because I have been doing it technically for so long, I kind of seen the development, and how it is progressed, and how it is now different from what it was before. Social media has always been my thing and now it is changing so much even just over the next year that is something that I always stay on top of with the algorithms and the analytics and that is something that I really enjoy doing.

Interviewer: Could you tell us about your managerial strategy?

Interviewee: When it was my sole business, when it was all that I was doing it was a lot of referral work because my social following is larger. I was able to obtain all of my clients through referrals, so working from home or anywhere I decided to work it was more of setting alarms specially and using tools like Trelow and keeping my work in order. Especially Trelow because I had a web developer in Thailand, and then somebody else might grab a designer in Ontario and I was also driving across the country at the time. It just really helps to keep everybody on task and in tune with who was working on what and being able to prioritize. It is really just staying on top of everything and knowing that you are going to commit 18 hours a day to do it. Putting your
foot down where it needs to be put down and facing the situation I guess, when you have to wake up at five in the morning to get something done because you got a client overseas. Therefore, it is a lot of discipline and willpower.

Interviewer: What would you say would be your biggest strength?

Interviewee: My ability to communicate with the client and get exactly what they want. I don't leave anything ambiguous. I make sure to know what they want before I get started on anything rather than assuming I know, and that’s all I ever seen in my industry specially with any kind of design work. If you don't communicate properly with the client. Even if it is difficult you can end up giving them something that is not what they wanted and then you just have to restart, so communication really helps me.

Interviewer: Can you tell us about your business growth plans?

Interviewee: Right now I'm enrolled with a computer science course with Stanford online so that’s helping me get a good fundamental base for programming. That would help me a lot in the web development. I was doing courses with “ladies learning codes” which is just getting women and young girls into coding and engineering and things like that. And then just learning as much as I can, there is so many available resources and I just want to learn as much as possible even if it is a little bit of everything it will just help me to add more to what I have to offer.

In terms of growth within the next five years I hope to have a solid base of programming and coding and probably web design as well. I want to use those to build my resources so I can do more than just the marketing.

Interviewer: Do you plan to stay as a one woman shop?

Interviewee: My goal is to have remote workers because it is easier to just assign, communicate, and project manage than it is to partner with someone in the fisical.

Interviewer: Can you tell us a few things that could be barriers or obstacles to achieving these goals?

Interviewee: It really is finding the time because I tend to take on a lot of projects and then it is finding the time to actually complete them. Also the motivation, some days I might not be motivated to sit down for five hours to learn programming.

Interviewer: Can you tell us some of the market’s barriers that are out there and the competitive environment?

Interviewee: that is why it is a side thing right now. It is because I feel like I need more in order to set me apart from all the people that are very similar to me. [...] I feel like in order for it to drive as a full business, I need to be bringing more to the table so that would be what I need to do to break out from the competition.

Interviewer: Do you see social media management and web management as extremely necessary given that more people learn how to code and more people sort of figure how to do it by themselves?
Interviewer: I think it is not going to be imperative but it is going to be more something across all areas of the company. It is going to be something that everyone will need to know how to do. The social environment is always changing so I think it is going to be more common and more widespread throughout companies, so it is not going to be one person managing the whole thing. In order to stay above ground against your competitor everyone it is going to need to be involved with it.

8. Company 8: Anonymous Start-up - Calgary, Alberta, Canada

Interviewer: What is your small business and what service or product does it provide?

Interviewee: It is an online business directory and review site. The neat thing about our company is that we've built it to improve user experience and to make information regarding local businesses more transparent. Users will review businesses in succinct, 320 character reviews, and a business will be able to integrate their various social media accounts to push these reviews onto their feeds, as word-of-mouth testimonials.

Interviewer: What is your role(s) within the small business? Owner? Manager? etc.

Interviewee: As a co-founder I am an owner of the company; my other co-founders are Justin Tweed, Ferly Chmelyk and Wyatt Johnson.

Interviewer: How many employees are there?

Interviewee: Technically, we also have a small team of developers and designers on contract. We are building out our team in the coming weeks. This will involve more employees, contractors, and interns.

Interviewer: How is your business funded?

Interviewee: Our Company is bootstrapped, but well backed using profit is from previously established businesses owned by Ferlyn, Justin and I.

Interviewer: Is this your full time job? If not, how many hours per week do you spend working on the business?

Interviewee: It is my primary occupation; though we have a second corporation called VX1 which is a B2B sales consulting business. I estimate I spend 60-80 hours per week on Trumpet related work - especially at the stage we are at now which involves large scale on-boarding as we lead up to launch in May.

Interviewer: Who are your customers and how do you provide value for them?

Interviewee: Our customers are those people and business owners who call Calgary home. By giving businesses a unique opportunity to showcase their brands online, we also make them easily searchable and available to interested visitors to our site. Using Trumpet as a tool for social media will allow a business to mobilize user generated content to reach new prospective users and customers.
Interviewer: How long has your small business existed for?

Interviewee: Our company has been in development since early 2014.

Interviewer: Where is your small business currently at in terms of number of employees, number of products, etc.?

Interviewee: We currently have a team of 5 in house, though we are ramping up to 25-30 in the coming weeks. When it goes live here in Calgary, we'll have 3 packages available for businesses.

Interviewer: What type of managerial style do you implement to manage your small business? Hands on? Micro Manager?

Interviewee: I believe in developing people to do their best work. The old saying "different strokes for different folks" is very applicable, as people have different skills, abilities, learning styles, backgrounds and aspirations. Take someone when they are an enthusiastic beginner to a specific task, for example. They have a lot of confidence (having succeeded at new tasks in the past) but may lack competence to do the specific task (having never done this specific one before). It is important that someone clearly outline the goals of the task, show them what good work looks like, have them try it, and provide timely feedback and encouragement. This is borrowed from a management philosophy made popular by Kenneth Blanchard in his book Leadership and The One Minute Manager. Aside from that, I suppose it is just a lot of laughs and high fives.

Interviewee: Justin and I have made the most of our previous sales experience to get us to where we are. We were used to making cold calls and having conversations with business owners. So we interviewed hundreds of business owners and learned there was some pain about how they could engage the public online. We leveraged our past results and enthusiasm for the project to enlist Ferlyn as a savvy partner and from here we set out to interview developers and designers. We hired slow and fired fast until we ultimately arrived at the team we knew could help us build our company.

Interviewer: What level do you wish to grow your small business to? Is there opportunity to grow your business?

Interviewee: We will begin in Calgary; we are going to work to refine our product and our model until we have a great fit and then our objective is to expand to all major cities in Canada by the end of year 1 and the United States by the end of year 2.

Interviewer: At what point would you cease to consider your small business a small business?

Interviewee: We are going to work hard to keep our start-up culture. We'd like to remain as lean as possible to avoid corporate bureaucracy. I'll consider our small business small until we have achieved our first expansion milestone.

Interviewer: What factors or actions must you undergo to take your small business to the desired level of growth?
Interviewee: I think there are three keys here: [1] we need a large number of businesses to subscribe to our company [2] we need to constantly improve our product so that users recognize it as the easiest way to learn about a business in their community; and [3] we need to ensure our company culture is one of excitement and opportunity, so that we can recruit the best people for our team.

Interviewer: What are the factors helping or hindering your growth? Both internally and externally?

Interviewee: Externally, there hasn't really been a tonne of activity in the business directory or review space. Yelp is a mainstay, but increasingly unpopular; Zomato specializes in restaurants and is only now breaking ground in North America (with an acquisition of Urbanspoon). I think because of this we have an opportunity to build something really special for the Calgary community, so that helps. Internally, we are both helped and hindered in our recruitment, by the very nature of what we are doing. Start-up is a sexy word in the business community, particularly among young people (of which Calgary has plenty of these types). In the software engineering world, 'start-up' can often translate to 'risk', and the allure of working in the oil and gas industry promises a certain stability and a high paying salary. So while we feel we may be missing out on some software development talent, it is likely for the best given the culture we want. We don't just want talented people - we want the right talented people.

Interviewer: What strategies have you decided are the best for growing your small business?

Interviewee: think the best strategy we have opted to implement is to learn rapidly. We are going to make communicating with our team as easy as possible for our early adopters. We'll test new features and gather the data on what works, what doesn't; what people like and what they don't. The end result will be a Trumpet that has been vetted through use, and should stand as product for the people, developed according to their feedback.

9. Company 9: EnCompass Technologies Inc. - Calgary, Alberta, Canada

Interviewer: What is your small business and what service or product does it provide?

Interviewee: The business was called EnCompass Technologies Inc. and we provided a software suite of products that is referred to as Energy Trading Risk Management.

Interviewer: What is your role(s) within the small business? Owner? Manager? etc.

Interviewee: Owner and President.

Interviewer: How many employees are there?

Interviewee: 14

Interviewer: Is your business independently funded?

Interviewee: Yes

Interviewer: Is this your full time job? If not, how many hours per week do you spend working on the business?
Interviewee: Fulltime

Interviewer: Who are your customers and how do you provide value for them?

Interviewee: Our customers are fairly large companies that deal with commodities such as natural gas, crude oil and power.

Interviewer: How long has your small business existed for?

Interviewee: 23 years

Interviewer: Where is your small business currently at in terms of number of employees, number of products, etc.?

Interviewee: We have one product (revision versions) and 14 employees.

Interviewer: What type of managerial style do you implement to manage your small business? Hands on? Micro Manager?

Interviewee: Micro manager

Interviewer: What have you done to take your small business to the level it currently is at? What strategies did you implement?

Interviewee: We focused on product development and creating long term relationships with clients. Our licensing model was on an annual basis so we had continuous funding.

Interviewer: What level do you wish to grow your small business to? Is there opportunity to grow your business?

Interviewee: From a personal point of view want to sell the business so that it could grow with the appropriate people involved in the company.

Interviewer: At what point would you cease to consider your small business a small business?

Interviewee: When we reach about 10 million/year in sales

Interviewer: What factors or actions must you undergo to take your small business to the desired level of growth?

Interviewee: Either we sell the business or decide to invest in marketing and sales.

Interviewer: What are the factors helping or hindering your growth? Both internally and externally?

Interviewee: The major factor that is hindering our growth is my personal reluctance to invest in Sales and Marketing as well as not willing to sacrifice personal time to achieve the growth.

Interviewer: What strategies have you decided are the best for growing your small business?

Interviewee: As mentioned above increased sales and marketing as well as more investment in people for development.
10. Company 10: Chris Clark Creative (CCC) - Calgary, Alberta, Canada

Interviewer: What is your small business and what service or product does it provide?

Interviewee: My business is a graphic design company that provides branding, design & development for the web and interactive platforms, data visualization, and visual communication strategy.

Interviewer: What is your role(s) within the small business? Owner? Manager? etc.

Interviewee: Owner / sole proprietor

Interviewer: How many employees are there?

Interviewee: 1

Interviewer: How is your business funded?

Interviewee: Repeat clients, project by project.

Interviewer: Is this your full time job? If not, how many hours per week do you spend working on the business?

Interviewee: Yes

Interviewer: Who are your customers and how do you provide value for them?

Interviewee: Small businesses, charities, and research groups. Mostly local to Calgary/Alberta region.

Interviewer: How long has your small business existed for?

Interviewee: 4 years

Interviewer: Where is your small business currently at in terms of number of employees, number of products, etc.?

Interviewee: 1 employee (me). Around 65 client’s to-date. Strong collaborative network including developers, social media managers, photographers, and PR professionals.

Interviewer: What type of managerial style do you implement to manage your small business? Hands on? Micro Manager?

Interviewee: Hands on - I do all the project management and creative development.

Interviewer: What have you done to take your small business to the level it currently is at? What strategies did you implement?

Interviewee: Good project management & client relations lead to effective communication and trust, which I find integral to allowing me to make strong creative work that exceeds client
expectations. Once I start working with a client it is highly likely, they will come back to me for future work, and likely to recommend me to others.

Interviewer: What level do you wish to grow your small business to? Is there opportunity to grow your business?

Interviewee: I would ideally like larger scale and projects that are more complex. There is lots of potential in specializing in the growing market for data visualization

Interviewer: At what point would you cease to consider your small business a small business?

Interviewee: Maybe more than 15 employees, netting more than 250,000 per year.

Interviewer: What factors or actions must you undergo to take your small business to the desired level of growth?

Interviewee: Seek out larger scale projects, solidify collaborative ties.

Interviewer: What are the factors helping or hindering your growth? Both internally and externally?

Interviewee: Complacency, lack of advertising, time and resources to seek out larger scale projects, many clients with small budgets eats up time

Interviewer: What strategies have you decided are the best for growing your small business?

Interviewee: The Company needs pursue new clients more, rather than waiting for them to approach. I should partner with someone who could focus on the business side of things while I concentrate on the creative, which is really my strength.
References


